



HOUSE BILL 792: Barbers/Electrolysis Boards/Merger.

2021-2022 General Assembly

Committee:		Date:	August 9, 2022
Introduced by:		Prepared by:	Aaron McGlothlin Staff Attorney
Analysis of:	S.L. 2022-72		

OVERVIEW: *S.L. 2022-72 does the following:*

- **Amends the statutes pertaining to the practice of barbering and electrolysis as follows:**
 - **Merges the existing State Board of Barber Examiners and the Board of Electrolysis Examiners into a single board to be known as the North Carolina Board of Barber and Electrolysis Examiners (Board). The terms of the newly created Board begin on January 1, 2023.**
 - **Authorizes mobile barbershops.**
 - **Revises barber school requirements.**
 - **Establishes an electrolysis apprenticeship program.**
 - **Modifies certain fee provisions.**
- **Increases the annual Job Development Investment Grant for any business headquarters in the State by 20% if the business meets certain requirements, such as relocating its out-of-state manufacturing operation to a development tier 1 or tier 2 area.**
- **Makes a technical correction to the effective date of language in S.L. 2022-73.**

Section 1 and Section 2 of this act become effective January 1, 2023, and apply to applications for licensure, examination, and renewal submitted on or after that date. The remainder of this act became effective July 8, 2022.

PART I. Recodify and Reorganize the North Carolina Board of Barber Examiners and the North Carolina Board of Electrolysis Examiners

BACKGROUND:

The North Carolina State Board of Barber Examiners was originally established in 1929. "Barbering" is the practice of cutting or dyeing hair, giving facial or scalp treatments, and shaving or trimming beards. The provisions governing the licensure of barbers are contained in Chapter 86A of the General Statutes.

The North Carolina Board of Electrolysis Examiners was established in 1989. "Electrology" is the practice of hair removal by application of an electric current to the hair papilla by means of a needle so as to cause growth inactivity and thus permanently remove the hair. The provisions governing the licensure of electrologists and laser hair practitioners are contained in Chapter 88A of the General Statutes.

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BILL ANALYSIS:

Section 1 of this act recodifies and consolidates Chapter 86A (Barbers) and Chapter 88A (Electrolysis Practice Act) of the General Statutes into a new Chapter 86B (Barber and Electrolysis Practice Act).

Section 2 of this act amends Chapter 86B of the General Statutes, created by Section 1 of this act, by merging the existing State Board of Barber Examiners and the Board of Electrolysis Examiners into a single board to be known as the North Carolina Board of Barber and Electrolysis Examiners (Board) and making conforming changes throughout the Chapter. This section also authorizes mobile barbershops and sets related fees, amends the requirements for approving barber schools in the State, establishes a new electrolysis apprenticeship program, and amends fees related to electrolysis.

Board Composition

The North Carolina Board of Barber and Electrolysis Examiners will consist of nine members appointed as follows:

- Five licensed barbers (three appointed by the Governor, one appointed by the General Assembly at the recommendation of the Speaker of the House of Representatives, and one appointed by the General Assembly at the recommendation of the President Pro Tempore of the Senate).
- Two electrologists (one appointed by the General Assembly at the recommendation Speaker of the House of Representatives, and one appointed by the General Assembly at the recommendation of the President Pro Tempore of the Senate).
- One licensed physician nominated by the North Carolina Medical Board and appointed by the Governor.
- One member of the general public who is not licensed under Chapter 86B (Barber and Electrolysis Practice Act) or Chapter 90 (Medicine and Allied Occupations), appointed by the Governor.

For the initial appointments to the Board, the members of the Board of Electrolysis Examiners, serving as of December 31, 2022, will be appointed to the new consolidated Board as follows:

- Two electrologists appointed by the General Assembly (one at the recommendation of the Speaker of the House of Representatives and one by President Pro Tempore of the Senate) for a three-year term.
- One physician appointed by the Governor for a two-year term.
- One public member (serving either on the Board of Electrolysis Examiners or the Board of Barber Examiners) appointed by the Governor for a one-year term.

Mobile Barbershops

Section 2 of this act authorizes motor homes to be used as mobile barbershops. The mobile barbershop owner is required to maintain a permanent business address, as well as providing a monthly written itinerary to the Board that includes the shop's listing location, dates, and hours of operation. No barbering may be performed while the mobile barbershop is moving.

Furthermore, the new Board must adopt rules for the operation, permitting, and inspection of mobile barbershops.

Barber Schools

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Section 2 of this act reduces the number of required instructors of barber schools from two instructors for the first 40 students to one instructor for the first 20 students. Also, barber schools with only one instructor present will be allowed to simultaneously provide practical and theoretical training if the theoretical training is offered online.

Electrolysis Apprenticeship

Under existing law, the licensure requirements for an electrologist include being a North Carolina resident over 21 years of age, passing an examination given by the Board, and either graduating from a Board-approved electrology program or practicing electrology for at least one year in a state that does not license electrologists.

Section 2 establishes an alternative pathway for electrolysis licensure by way of completing a 625-hour internship program, visiting two electrologist offices other than the apprenticeship instructor's, and passing an examination given by the Board.

The new Board must adopt rules governing the electrology apprenticeship program, including curriculum specifications, authorized textbooks, facility and equipment requirements, record-keeping requirements, and the qualifications of instructors.

Fees

The fees are the same as under the previous law with five exceptions:

- The act establishes a maximum fee of \$120 for the inspection of a newly established mobile barbershop.
- The act establishes a maximum fee of \$50 for a mobile barbershop permit or renewal.
- The act establishes a maximum late fee of \$45 for restoration of an expired mobile barbershop permit.
- The maximum fee for an initial licensure for an electrologist or laser hair practitioner decreases from \$150 to \$125.
- The maximum fee for an electrologist licensing examination increases from \$125 to \$150.

PART II. Administrative Rules and Merger Procedure

Transitional Provisions

Section 3 of the act consists of various transitional provisions to address the handling of existing licenses, applications, rules, property and assets, and any pending litigation and disciplinary proceedings under the authority of the individual boards.

Technical Changes

Section 3 of the act makes various technical and conforming changes to the statutes recodified into the new Chapter 86B.

Initial Board Appointments/Effective Dates

Section 4 of the act provides that the initial appointments to the new Board must be made by December 1, 2022, and the initial terms of the appointees will begin on January 1, 2023. By March 1, 2024, the new Board must determine whether any licenses can be consolidated or eliminated, and must review the fee schedule and determine whether any fees should be reduced to reflect savings and efficiencies generated

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by consolidating their boards. The findings must be reported to the Joint Legislative Administrative Procedure Oversight Committee.

PART III. Other Changes

Job Development Investment Grant (JDIG) Multilocation Projects Modifications

CURRENT LAW: JDIG is a discretionary grant program by the State that provides funds to incentivize new or expanding businesses to create jobs in the State. To receive a JDIG award, the business must meet several conditions, including a finding that the benefits of its project to the State outweigh its costs and render the grant appropriate for the project, and that it will create a negotiated number of new full-time employee positions during a specified period of time, known as the base period.¹ If a business fails to meet the conditions of the grant agreement, the grant amount may be reduced or the grant may be terminated.

For a traditional JDIG award,² the award amount is calculated as a percentage of the personal income tax withholdings of eligible positions for a period of years.³ The maximum percentage for a tier 1 area is 80% and for all other areas is 75%. The per position maximum for an award is \$16,000. The amount of a grant payout to a company is automatically decreased by 25% or 10% for tier 3 and tier 2 projects, respectively, with that percentage of the grant payout going to the Utility Account for, generally, infrastructure projects reasonably expected to create jobs in development tier 1 and 2 areas. Generally, the maximum total annual liability for JDIG grants is capped at \$35 million.

BILL ANALYSIS:

Section 5.1 of this act increases a qualifying business's JDIG disbursement by 20%. To receive the increase, the business must meet the following criteria:

1. The initial grant was awarded to the business for locating their company headquarters in the State.
2. The business announces during the base period that the manufacturing operation of either (i) the business or (ii) a business that controls, is controlled by, or is under common control with the business, will be relocating to a tier 1 or tier 2 area in the State.
3. The number of newly created positions filled by full-time employees must be equal to or greater than the jobs the business would have to create to qualify for a JDIG award⁴ and the increase in withholdings must be equal to or greater than the bonus amount.
4. The bonus only applies for years in which the required manufacturing jobs are filled.

Technical Changes to S.L. 2022-73

Section 5.2 of this act changes the effective date of Section 7 of S.L. 2022-73 to apply to vacancies in district court judge seats that occur on or after July 11, 2022. Section 7 of S.L. 2022-73 sets out the process for determining candidates when elections are required to be held to fill district court judge vacancies.

EFFECTIVE DATE: Section 1 and Section 2 of this act become effective January 1, 2023, and apply to applications for licensure, examination, and renewal submitted on or after that date. The remainder of this act became effective July 8, 2022.

¹ The base period for transformative projects may not exceed 10 years and all other projects may not exceed 5 years.

² Certain enhancements exist for high-yield and transformative projects.

³ The maximum term is 12 years.

⁴ A minimum of 10 eligible positions must be created for a relocation to a tier 1 area and 20 eligible positions for a tier 2 area.

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**LAD Staff Attorneys Nicholas Giddings, Jeremy Ray, Susan Sitze, and Trina Griffin, substantially contributed to this summary.*