

Attachment to Fiscal Note:

The NC Board of Cosmetic Art Examiners has proposed a rule that would instate a fee of \$100 to be collected from the individuals found guilty through the course of a disciplinary hearing. The rule reads, "21 NCAC 14C .0104 Hearing Costs

At a hearing individuals found by the Board to be responsible for the whole civil penalty amount assessed at inspection will be required to pay \$100 in hearing costs in addition to the civil penalty. "

The agency is granted authority to assess this fee by General Statute 88B-29d:

(d) Costs. – The Board may in a disciplinary proceeding charge costs, including reasonable attorneys' fees, to the licensee against whom the proceedings were brought. (1998-230, s. 2; 2004-142, s. 2.)

Disciplinary hearings are held quarterly and average 40 cases per hearing. The cost of each hearing varies according to the time spent with each individual in mailed correspondence, phone conversations and during the hearing as the attorney fees are charged at an hourly rate. Within the last year the Board has paid \$15,470 for the retainer and attendance of an attorney at disciplinary hearings. Other costs to the Board include: employees to administrate the hearing, document copies for each officer, inspector and Board member, court reporter fees, and travel expenses for statewide inspectors. The Board determined the fee of \$100 with consideration that if an individual's penalty amount is changed by the Board's discretion, the hearing cost fee will not apply. Based on the average of penalties upheld during the last year, the fiscal impact would be \$2,400 per year.

Quarterly Hearing	Attorney Fees	Court Reporter Fees	Administrative Costs	Total Costs	Penalties Upheld	Total Potential Recovery	Un-recovered Costs
April 2005	\$4350	\$580	\$1686	\$6616	29/37	\$2900	\$3716
July 2005	\$3650	\$220	\$1348	\$5218	32/38	\$3200	\$2018
October 2005	\$3825	\$290	\$1398	\$5513	2/14	\$200	\$5313
January 2006	\$3825	\$290	\$1428	\$5543	48/73	\$4800	\$743

Any questions or problems can be directed to Stefanie Shore, Enforcement Officer at 919-715-3171 or sshore@nccosmeticarts.com.