

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3158

By: Roberts

AS INTRODUCED

An Act relating to professions and occupations; creating tax-exempt schools for cosmetology and barber training; providing for application form, initial license fee, surety bond, and financial statement; creating tax-exempt schools within the Department of Corrections; providing for letter of intent, application form, initial license fee, surety bond, financial statement, and proof of use of building; providing for tax-exempt license renewal; providing for application and fee; prohibiting deceptive or misleading language in advertising; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 199.19 of Title 59, unless there is created a duplication in numbering, reads as follows:

A. Any nonprofit 501(c)(3) tax-exempt school that proposes to provide cosmetology or barber training courses designed to qualify persons who complete courses for a professional license to practice cosmetology or barbering, shall be required to obtain a license for

1 the nonprofit 501(c)(3) tax-exempt postsecondary school from the
2 State Board of Cosmetology and Barbering.

3 B. The license application form shall be completed in full
4 making note whether the school intends to operate as a secondary or
5 postsecondary establishment and returned to the Board and shall
6 contain the following information:

7 1. Proposed name, location (city, street, and number), and a
8 brief description of the building;

9 2. Name, address, and phone number of the proposed owner. If a
10 corporation, the names, addresses, and phone numbers of the officers
11 and principal stockholders are required to be submitted; and

12 3. Names of Oklahoma licenses held and the file numbers of the
13 persons to be the instructors of the proposed school and that of the
14 manager, if other than the owner.

15 C. Each initial public, privately owned, and nonprofit
16 501(c)(3) tax-exempt cosmetology or barber school shall be required
17 to pay to the Board the initial license fee of Four Hundred Dollars
18 (\$400.00). Each public, privately owned, and nonprofit 501(c)(3)
19 tax-exempt school shall also pay the annual license renewal fee of
20 One Hundred Twenty-five Dollars (\$125.00). Each school license
21 shall expire annually on June 30th. No provision is made for pro
22 rata of any license fee. A school shall be inspected at least once
23 each year in order to be eligible for renewal.
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1 D. A surety bond in the amount of Two Thousand Dollars
2 (\$2,000.00) for the first instructor and One Thousand Dollars
3 (\$1,000.00) for each additional instructor shall be submitted for
4 each cosmetology or barber school license. The bond shall be in an
5 amount sufficient to meet bonding requirements for all staff.

6 E. A current financial statement of the license applicant,
7 prepared by a public accountant or a certified public accountant, is
8 required to be submitted to the Board. The financial statement
9 shall be prepared in accordance with generally accepted accounting
10 principles and shall reflect the applicant's total property
11 inventory, assets, and liabilities which shall show a net worth of
12 at least One Hundred Thousand Dollars (\$100,000.00) for each school
13 owned. Intangible assets shall not be considered in net worth.

14 SECTION 2. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 199.20 of Title 59, unless there
16 is created a duplication in numbering, reads as follows:

17 A. Any nonprofit 501(c)(3) tax-exempt school located within a
18 correctional facility that proposes to provide cosmetology or barber
19 training courses designed to qualify persons who complete courses
20 for a professional license to practice cosmetology or barbering,
21 shall be required to obtain a license for the nonprofit 501(c)(3)
22 tax-exempt postsecondary school from the State Board of Cosmetology
23 and Barbering.
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1 B. The license application form shall be completed in full,
2 making note of whether the school intends to operate as a secondary
3 or postsecondary establishment, and returned to the Board and shall
4 contain the following information:

5 1. Names, addresses, and phone numbers of the Director of the
6 Oklahoma Department of Corrections, administrative staff, Chief
7 Administrator of Classification and Programs, Administer of
8 Programs, and the warden at the correctional facility where the
9 school is to be located, and of each instructor proposed to teach in
10 the school. The file number of the instructor shall be submitted;

11 2. A notarized affidavit stating source of sufficient bond
12 coverage and that the building wherein the school is proposed to be
13 conducted is owned by the Department of Corrections, and

14 3. Phone numbers of the correctional facility and a brief
15 general description of the correctional facility location within the
16 institution and other building training sections and parking areas.

17 C. Each initial public, privately owned, and nonprofit
18 501(c)(3) tax-exempt cosmetology or barber school shall be required
19 to pay to the Board the initial license fee of Four Hundred Dollars
20 (\$400.00). Each public, privately owned, and nonprofit 501(c)(3)
21 tax-exempt school shall also pay the annual license renewal fee of
22 One Hundred Twenty-five Dollars (\$125.00). Each school license
23 shall expire annually on June 30th. No provision is made for pro
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1 rata of any license fee. A school shall be inspected at least once
2 each year in order to be eligible for renewal.

3 D. A surety bond in the amount of Two Thousand Dollars
4 (\$2,000.00) for the first instructor and One Thousand Dollars
5 (\$1,000.00) for each additional instructor is required to be
6 submitted for each cosmetology or barber school license. The bond
7 shall be in an amount sufficient to meet bonding requirements for
8 all staff.

9 E. A current financial statement of the license applicant,
10 prepared by a public accountant or a certified public accountant, is
11 required to be submitted to the Board. The financial statement
12 shall be prepared in accordance with generally accepted accounting
13 principles and shall reflect the applicant's total property
14 inventory, assets, and liabilities which shall show a net worth of
15 at least One Hundred Thousand Dollars (\$100,000.00) for each school
16 owned. Intangible assets shall not be considered in net worth.

17 F. Nonprofit 501(c)(3) tax-exempt schools within a correctional
18 facility shall not acquire funds. Education shall be provided free
19 of cost to all students enrolled in the programs. All supplies
20 shall either be bought from money that is obtained through grants or
21 by private donation made to the organization. A financial statement
22 shall not be required for this type of school.

23 G. Applicants shall obtain a memorandum of understanding from
24 the Oklahoma Department of Corrections stating that the Department
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1 will allow the applicant use of the designated area for one (1)
2 year, or a sum of twelve-month increments, that will be used for the
3 proposed school to operate.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 199.21 of Title 59, unless there
6 is created a duplication in numbering, reads as follows:

7 A. A 501(c)(3) tax-exempt school license shall expire annually
8 on June 30th. A renewal application shall be received by June 30th
9 each year.

10 B. A 501(c)(3) tax-exempt license renewal application, forms,
11 and instructions shall be mailed annually to schools by the State
12 Board of Cosmetology and Barbering. Forms include a surety bond
13 renewal form, power of attorney, and verification form.

14 C. A fee of One Hundred Twenty-five Dollars (\$125.00) is
15 required for school license renewal.

16 D. Any advertisement for recruitment of students shall state
17 that the school is proposed to be open and shall not contain
18 deceptive or misleading language and shall state that the school has
19 applied for licensure.

20 SECTION 4. This act shall become effective November 1, 2024.

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