

SENATE BILL 27

C3

(PRE-FILED)

4lr1148
CF HB 383

By: **Senators Gile, Beidle, Klausmeier, and Smith**

Requested: October 24, 2023

Introduced and read first time: January 10, 2024

Assigned to: Finance

Reassigned: Education, Energy, and the Environment, January 11, 2024

Committee Report: Favorable

Senate action: Adopted

Read second time: February 8, 2024

CHAPTER _____

1 AN ACT concerning

2 **Cosmetology Licensure Compact**

3 FOR the purpose of entering into the Cosmetology Licensure Compact; establishing criteria
4 for participating states; authorizing an individual practicing cosmetology to practice
5 in a party state under certain circumstances; establishing the Cosmetology
6 Licensure Compact Commission and its duties and powers; providing for the
7 amendment of and withdrawal from the Compact; and generally relating to the
8 Cosmetology Licensure Compact.

9 BY adding to

10 Article – Business Occupations and Professions

11 Section 5–6A–01 to be under the new subtitle “Subtitle 6A. Cosmetology Licensure
12 Compact”

13 Annotated Code of Maryland

14 (2018 Replacement Volume and 2023 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

16 That the Laws of Maryland read as follows:

17 **Article – Business Occupations and Professions**

18 **SUBTITLE 6A. COSMETOLOGY LICENSURE COMPACT.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **5-6A-01.**

2 **THE COSMETOLOGY LICENSURE COMPACT IS HEREBY ENACTED AND**
3 **ENTERED INTO WITH ALL OTHER JURISDICTIONS THAT LEGALLY JOIN IN THE**
4 **COMPACT IN THE FORM SUBSTANTIALLY AS THE COMPACT APPEARS IN THIS**
5 **SECTION AS FOLLOWS:**

6 **ARTICLE 1. PURPOSE.**

7 **THE PURPOSE OF THIS COMPACT IS TO FACILITATE THE INTERSTATE**
8 **PRACTICE AND REGULATION OF COSMETOLOGY WITH THE GOAL OF IMPROVING**
9 **PUBLIC ACCESS TO, AND THE SAFETY OF, COSMETOLOGY SERVICES AND REDUCING**
10 **UNNECESSARY BURDENS RELATED TO COSMETOLOGY LICENSURE. THROUGH THIS**
11 **COMPACT, THE MEMBER STATES SEEK TO ESTABLISH A REGULATORY FRAMEWORK**
12 **WHICH PROVIDES FOR A NEW MULTISTATE LICENSING PROGRAM. THROUGH THIS**
13 **NEW LICENSING PROGRAM, THE MEMBER STATES SEEK TO PROVIDE INCREASED**
14 **VALUE AND MOBILITY TO LICENSED COSMETOLOGISTS IN THE MEMBER STATES,**
15 **WHILE ENSURING THE PROVISION OF SAFE, EFFECTIVE, AND RELIABLE SERVICES**
16 **TO THE PUBLIC.**

17 **THIS COMPACT IS DESIGNED TO ACHIEVE THE FOLLOWING OBJECTIVES AND**
18 **THE MEMBER STATES HEREBY RATIFY THE SAME INTENTIONS BY SUBSCRIBING**
19 **HERETO:**

20 **A. PROVIDE OPPORTUNITIES FOR INTERSTATE PRACTICE BY**
21 **COSMETOLOGISTS WHO MEET UNIFORM REQUIREMENTS FOR MULTISTATE**
22 **LICENSURE;**

23 **B. ENHANCE THE ABILITIES OF MEMBER STATES TO PROTECT PUBLIC**
24 **HEALTH AND SAFETY AND PREVENT FRAUD AND UNLICENSED ACTIVITY WITHIN THE**
25 **PROFESSION;**

26 **C. ENSURE AND ENCOURAGE COOPERATION BETWEEN MEMBER STATES**
27 **IN THE LICENSURE AND REGULATION OF THE PRACTICE OF COSMETOLOGY;**

28 **D. SUPPORT RELOCATING MILITARY MEMBERS AND THEIR SPOUSES;**

29 **E. FACILITATE THE EXCHANGE OF INFORMATION BETWEEN MEMBER**
30 **STATES RELATED TO THE LICENSURE, INVESTIGATION, AND DISCIPLINE OF THE**
31 **PRACTICE OF COSMETOLOGY;**

32 **F. PROVIDE FOR THE LICENSURE AND MOBILITY OF THE WORKFORCE IN**
33 **THE PROFESSION WHILE ADDRESSING THE SHORTAGE OF WORKERS AND LESSENING**

1 THE ASSOCIATED BURDENS ON THE MEMBER STATES.

2 ARTICLE 2. DEFINITIONS.

3 AS USED IN THIS COMPACT, AND EXCEPT AS OTHERWISE PROVIDED, THE
4 FOLLOWING DEFINITIONS SHALL GOVERN THE TERMS HEREIN:

5 A. "ACTIVE MILITARY MEMBER" MEANS ANY INDIVIDUAL WITH
6 FULL-TIME DUTY STATUS IN THE ARMED FORCES OF THE UNITED STATES,
7 INCLUDING MEMBERS OF THE NATIONAL GUARD AND RESERVE.

8 B. "ADVERSE ACTION" MEANS ANY ADMINISTRATIVE, CIVIL, EQUITABLE,
9 OR CRIMINAL ACTION PERMITTED BY A MEMBER STATE'S LAWS WHICH IS IMPOSED
10 BY A STATE LICENSING AUTHORITY OR OTHER REGULATORY BODY AGAINST A
11 COSMETOLOGIST, INCLUDING ACTIONS AGAINST AN INDIVIDUAL'S LICENSE OR
12 AUTHORIZATION TO PRACTICE SUCH AS REVOCATION, SUSPENSION, PROBATION,
13 MONITORING OF THE LICENSEE, LIMITATION OF THE LICENSEE'S PRACTICE, OR ANY
14 OTHER ENCUMBRANCE ON A LICENSE AFFECTING AN INDIVIDUAL'S ABILITY TO
15 PARTICIPATE IN THE COSMETOLOGY INDUSTRY, INCLUDING THE ISSUANCE OF A
16 CEASE AND DESIST ORDER.

17 C. "ALTERNATIVE PROGRAM" MEANS A NON-DISCIPLINARY MONITORING
18 OR PROSECUTORIAL DIVERSION PROGRAM APPROVED BY A MEMBER STATE'S
19 STATE LICENSING AUTHORITY.

20 D. "AUTHORIZATION TO PRACTICE" MEANS A LEGAL AUTHORIZATION
21 ASSOCIATED WITH A MULTISTATE LICENSE PERMITTING THE PRACTICE OF
22 COSMETOLOGY IN THAT REMOTE STATE, WHICH SHALL BE SUBJECT TO THE
23 ENFORCEMENT JURISDICTION OF THE STATE LICENSING AUTHORITY IN THAT
24 REMOTE STATE.

25 E. "BACKGROUND CHECK" MEANS THE SUBMISSION OF INFORMATION
26 FOR AN APPLICANT FOR THE PURPOSE OF OBTAINING THAT APPLICANT'S CRIMINAL
27 HISTORY RECORD INFORMATION, AS FURTHER DEFINED IN 28 C.F.R. § 20.3(D),
28 FROM THE FEDERAL BUREAU OF INVESTIGATION AND THE AGENCY RESPONSIBLE
29 FOR RETAINING STATE CRIMINAL OR DISCIPLINARY HISTORY IN THE APPLICANT'S
30 HOME STATE.

31 F. "CHARTER MEMBER STATE" MEANS MEMBER STATES WHO HAVE
32 ENACTED LEGISLATION TO ADOPT THIS COMPACT WHERE SUCH LEGISLATION
33 PREDATES THE EFFECTIVE DATE OF THIS COMPACT AS DEFINED IN ARTICLE 13.

34 G. "COMMISSION" MEANS THE GOVERNMENT AGENCY WHOSE

1 MEMBERSHIP CONSISTS OF ALL STATES THAT HAVE ENACTED THIS COMPACT,
2 WHICH IS KNOWN AS THE COSMETOLOGY LICENSURE COMPACT COMMISSION, AS
3 DEFINED IN ARTICLE 9, AND WHICH SHALL OPERATE AS AN INSTRUMENTALITY OF
4 THE MEMBER STATES.

5 H. "COSMETOLOGIST" MEANS AN INDIVIDUAL LICENSED IN THEIR HOME
6 STATE TO PRACTICE COSMETOLOGY.

7 I. "COSMETOLOGY", "COSMETOLOGY SERVICES", AND THE "PRACTICE
8 OF COSMETOLOGY" MEAN THE CARE AND SERVICES PROVIDED BY A
9 COSMETOLOGIST AS SET FORTH IN THE MEMBER STATE'S STATUTES AND
10 REGULATIONS IN THE STATE WHERE THE SERVICES ARE BEING PROVIDED.

11 J. "CURRENT SIGNIFICANT INVESTIGATIVE INFORMATION" MEANS:

12 1. INVESTIGATIVE INFORMATION THAT A STATE LICENSING
13 AUTHORITY, AFTER AN INQUIRY OR INVESTIGATION THAT COMPLIES WITH A
14 MEMBER STATE'S DUE PROCESS REQUIREMENTS, HAS REASON TO BELIEVE IS NOT
15 GROUNDLESS AND, IF PROVED TRUE, WOULD INDICATE A VIOLATION OF THAT
16 STATE'S LAWS REGARDING FRAUD OR THE PRACTICE OF COSMETOLOGY; OR

17 2. INVESTIGATIVE INFORMATION THAT INDICATES THAT A
18 LICENSEE HAS ENGAGED IN FRAUD OR REPRESENTS AN IMMEDIATE THREAT TO
19 PUBLIC HEALTH AND SAFETY, REGARDLESS OF WHETHER THE LICENSEE HAS BEEN
20 NOTIFIED AND HAD AN OPPORTUNITY TO RESPOND.

21 K. "DATA SYSTEM" MEANS A REPOSITORY OF INFORMATION ABOUT
22 LICENSEES, INCLUDING LICENSE STATUS, INVESTIGATIVE INFORMATION, AND
23 ADVERSE ACTIONS.

24 L. "DISQUALIFYING EVENT" MEANS ANY EVENT WHICH SHALL
25 DISQUALIFY AN INDIVIDUAL FROM HOLDING A MULTISTATE LICENSE UNDER THIS
26 COMPACT, WHICH THE COMMISSION MAY BY RULE OR ORDER SPECIFY.

27 M. "ENCUMBERED LICENSE" MEANS A LICENSE IN WHICH AN ADVERSE
28 ACTION RESTRICTS THE PRACTICE OF COSMETOLOGY BY A LICENSEE, OR WHERE
29 SAID ADVERSE ACTION HAS BEEN REPORTED TO THE COMMISSION.

30 N. "ENCUMBRANCE" MEANS A REVOCATION OR SUSPENSION OF, OR ANY
31 LIMITATION ON, THE FULL AND UNRESTRICTED PRACTICE OF COSMETOLOGY BY A
32 STATE LICENSING AUTHORITY.

33 O. "EXECUTIVE COMMITTEE" MEANS A GROUP OF DELEGATES ELECTED

1 OR APPOINTED TO ACT ON BEHALF OF AND WITHIN THE POWERS GRANTED TO THEM
2 BY THE COMMISSION.

3 P. "HOME STATE" MEANS THE MEMBER STATE WHICH IS A LICENSEE'S
4 PRIMARY STATE OF RESIDENCE AND WHERE THAT LICENSEE HOLDS AN ACTIVE AND
5 UNENCUMBERED LICENSE TO PRACTICE COSMETOLOGY.

6 Q. "INVESTIGATIVE INFORMATION" MEANS INFORMATION, RECORDS, OR
7 DOCUMENTS RECEIVED OR GENERATED BY A STATE LICENSING AUTHORITY
8 PURSUANT TO AN INVESTIGATION OR OTHER INQUIRY.

9 R. "JURISPRUDENCE REQUIREMENT" MEANS THE ASSESSMENT OF AN
10 INDIVIDUAL'S KNOWLEDGE OF THE LAWS AND RULES GOVERNING THE PRACTICE OF
11 COSMETOLOGY IN A STATE.

12 S. "LICENSEE" MEANS AN INDIVIDUAL WHO CURRENTLY HOLDS A LICENSE
13 FROM A MEMBER STATE TO PRACTICE AS A COSMETOLOGIST.

14 T. "MEMBER STATE" MEANS ANY STATE THAT HAS ADOPTED THIS
15 COMPACT.

16 U. "MULTISTATE LICENSE" MEANS A LICENSE ISSUED BY AND SUBJECT TO
17 THE ENFORCEMENT JURISDICTION OF THE STATE LICENSING AUTHORITY IN A
18 LICENSEE'S HOME STATE, WHICH AUTHORIZES THE PRACTICE OF COSMETOLOGY
19 IN MEMBER STATES AND INCLUDES AUTHORIZATIONS TO PRACTICE
20 COSMETOLOGY IN ALL REMOTE STATES PURSUANT TO THIS COMPACT.

21 V. "REMOTE STATE" MEANS ANY MEMBER STATE, OTHER THAN THE
22 LICENSEE'S HOME STATE.

23 W. "RULE" MEANS ANY RULE OR REGULATION PROMULGATED BY THE
24 COMMISSION UNDER THIS COMPACT THAT HAS THE FORCE OF LAW.

25 X. "SINGLE-STATE LICENSE" MEANS A COSMETOLOGY LICENSE ISSUED
26 BY A MEMBER STATE THAT AUTHORIZES THE PRACTICE OF COSMETOLOGY ONLY
27 WITHIN THE ISSUING STATE AND DOES NOT INCLUDE ANY AUTHORIZATION OUTSIDE
28 OF THE ISSUING STATE.

29 Y. "STATE" MEANS A STATE, TERRITORY, OR POSSESSION OF THE UNITED
30 STATES AND THE DISTRICT OF COLUMBIA.

31 Z. "STATE LICENSING AUTHORITY" MEANS A MEMBER STATE'S
32 REGULATORY BODY RESPONSIBLE FOR ISSUING COSMETOLOGY LICENSES OR

1 OTHERWISE OVERSEEING THE PRACTICE OF COSMETOLOGY IN THAT STATE.

2 **ARTICLE 3. MEMBER STATE REQUIREMENTS.**

3 **A. TO BE ELIGIBLE TO JOIN THIS COMPACT, AND TO MAINTAIN**
4 **ELIGIBILITY AS A MEMBER STATE, A STATE MUST:**

5 **1. LICENSE AND REGULATE COSMETOLOGY;**

6 **2. HAVE A MECHANISM OR ENTITY IN PLACE TO RECEIVE AND**
7 **INVESTIGATE COMPLAINTS ABOUT LICENSEES PRACTICING IN THAT STATE;**

8 **3. REQUIRE THAT LICENSEES WITHIN THE STATE PASS A**
9 **COSMETOLOGY COMPETENCY EXAMINATION PRIOR TO BEING LICENSED TO**
10 **PROVIDE COSMETOLOGY SERVICES TO THE PUBLIC IN THAT STATE;**

11 **4. REQUIRE THAT LICENSEES SATISFY EDUCATIONAL OR TRAINING**
12 **REQUIREMENTS IN COSMETOLOGY PRIOR TO BEING LICENSED TO PROVIDE**
13 **COSMETOLOGY SERVICES TO THE PUBLIC IN THAT STATE;**

14 **5. IMPLEMENT PROCEDURES FOR CONSIDERING ONE OR MORE OF**
15 **THE FOLLOWING CATEGORIES OF INFORMATION FROM APPLICANTS FOR**
16 **LICENSURE: CRIMINAL HISTORY; DISCIPLINARY HISTORY; OR BACKGROUND**
17 **CHECK. SUCH PROCEDURES MAY INCLUDE THE SUBMISSION OF INFORMATION BY**
18 **APPLICANTS FOR THE PURPOSE OF OBTAINING AN APPLICANT'S BACKGROUND**
19 **CHECK AS DEFINED HEREIN;**

20 **6. PARTICIPATE IN THE DATA SYSTEM, INCLUDING THROUGH THE**
21 **USE OF UNIQUE IDENTIFYING NUMBERS;**

22 **7. SHARE INFORMATION RELATED TO ADVERSE ACTIONS WITH THE**
23 **COMMISSION AND OTHER MEMBER STATES, BOTH THROUGH THE DATA SYSTEM**
24 **AND OTHERWISE;**

25 **8. NOTIFY THE COMMISSION AND OTHER MEMBER STATES, IN**
26 **COMPLIANCE WITH THE TERMS OF THE COMPACT AND RULES OF THE COMMISSION,**
27 **OF THE EXISTENCE OF INVESTIGATIVE INFORMATION OR CURRENT SIGNIFICANT**
28 **INVESTIGATIVE INFORMATION IN THE STATE'S POSSESSION REGARDING A**
29 **LICENSEE PRACTICING IN THAT STATE;**

30 **9. COMPLY WITH SUCH RULES AS MAY BE ENACTED BY THE**
31 **COMMISSION TO ADMINISTER THE COMPACT; AND**

1 **10. ACCEPT LICENSEES FROM OTHER MEMBER STATES AS**
2 **ESTABLISHED HEREIN.**

3 **B. MEMBER STATES MAY CHARGE A FEE FOR GRANTING A LICENSE TO**
4 **PRACTICE COSMETOLOGY.**

5 **C. INDIVIDUALS NOT RESIDING IN A MEMBER STATE SHALL CONTINUE TO**
6 **BE ABLE TO APPLY FOR A MEMBER STATE'S SINGLE-STATE LICENSE AS PROVIDED**
7 **UNDER THE LAWS OF EACH MEMBER STATE. HOWEVER, THE SINGLE-STATE**
8 **LICENSE GRANTED TO THESE INDIVIDUALS MAY NOT BE RECOGNIZED AS GRANTING**
9 **A MULTISTATE LICENSE TO PROVIDE SERVICES IN ANY OTHER MEMBER STATE.**

10 **D. NOTHING IN THIS COMPACT SHALL AFFECT THE REQUIREMENTS**
11 **ESTABLISHED BY A MEMBER STATE FOR THE ISSUANCE OF A SINGLE-STATE**
12 **LICENSE.**

13 **E. A MULTISTATE LICENSE ISSUED TO A LICENSEE BY A HOME STATE TO**
14 **A RESIDENT OF THAT STATE SHALL BE RECOGNIZED BY EACH MEMBER STATE AS**
15 **AUTHORIZING A LICENSEE TO PRACTICE COSMETOLOGY IN EACH MEMBER STATE.**

16 **F. AT NO POINT SHALL THE COMMISSION HAVE THE POWER TO DEFINE**
17 **THE EDUCATIONAL OR PROFESSIONAL REQUIREMENTS FOR A LICENSE TO**
18 **PRACTICE COSMETOLOGY. THE MEMBER STATES SHALL RETAIN SOLE**
19 **JURISDICTION OVER THE PROVISION OF THESE REQUIREMENTS.**

20 **ARTICLE 4. MULTISTATE LICENSE.**

21 **A. TO BE ELIGIBLE TO APPLY TO THEIR HOME STATE'S STATE LICENSING**
22 **AUTHORITY FOR AN INITIAL MULTISTATE LICENSE UNDER THIS COMPACT, A**
23 **LICENSEE MUST HOLD AN ACTIVE AND UNENCUMBERED SINGLE-STATE LICENSE**
24 **TO PRACTICE COSMETOLOGY IN THEIR HOME STATE.**

25 **B. UPON THE RECEIPT OF AN APPLICATION FOR A MULTISTATE LICENSE,**
26 **ACCORDING TO THE RULES OF THE COMMISSION, A MEMBER STATE'S STATE**
27 **LICENSING AUTHORITY SHALL ASCERTAIN WHETHER THE APPLICANT MEETS THE**
28 **REQUIREMENTS FOR A MULTISTATE LICENSE UNDER THIS COMPACT.**

29 **C. IF AN APPLICANT MEETS THE REQUIREMENTS FOR A MULTISTATE**
30 **LICENSE UNDER THIS COMPACT AND ANY APPLICABLE RULES OF THE**
31 **COMMISSION, THE STATE LICENSING AUTHORITY IN RECEIPT OF THE APPLICATION**
32 **SHALL, WITHIN A REASONABLE TIME, GRANT A MULTISTATE LICENSE TO THAT**
33 **APPLICANT, AND INFORM ALL MEMBER STATES OF THE GRANT OF SAID**
34 **MULTISTATE LICENSE.**

1 **D. A MULTISTATE LICENSE TO PRACTICE COSMETOLOGY ISSUED BY A**
2 **MEMBER STATE'S STATE LICENSING AUTHORITY SHALL BE RECOGNIZED BY EACH**
3 **MEMBER STATE AS AUTHORIZING THE PRACTICE THEREOF AS THOUGH THAT**
4 **LICENSEE HELD A SINGLE-STATE LICENSE TO DO SO IN EACH MEMBER STATE,**
5 **SUBJECT TO THE RESTRICTIONS HEREIN.**

6 **E. A MULTISTATE LICENSE GRANTED PURSUANT TO THIS COMPACT MAY**
7 **BE EFFECTIVE FOR A DEFINITE PERIOD OF TIME, CONCURRENT WITH THE**
8 **LICENSURE RENEWAL PERIOD IN THE HOME STATE.**

9 **F. TO MAINTAIN A MULTISTATE LICENSE UNDER THIS COMPACT, A**
10 **LICENSEE SHALL:**

11 **1. AGREE TO ABIDE BY THE RULES OF THE STATE LICENSING**
12 **AUTHORITY, AND THE STATE SCOPE OF PRACTICE LAWS GOVERNING THE PRACTICE**
13 **OF COSMETOLOGY, OF ANY MEMBER STATE IN WHICH THE LICENSEE PROVIDES**
14 **SERVICES;**

15 **2. PAY ALL REQUIRED FEES RELATED TO THE APPLICATION AND**
16 **PROCESS AND ANY OTHER FEES WHICH THE COMMISSION MAY BY RULE REQUIRE;**
17 **AND**

18 **3. COMPLY WITH ANY AND ALL OTHER REQUIREMENTS REGARDING**
19 **MULTISTATE LICENSES WHICH THE COMMISSION MAY BY RULE PROVIDE.**

20 **G. A LICENSEE PRACTICING IN A MEMBER STATE IS SUBJECT TO ALL**
21 **SCOPE OF PRACTICE LAWS GOVERNING COSMETOLOGY SERVICES IN THAT STATE.**

22 **H. THE PRACTICE OF COSMETOLOGY UNDER A MULTISTATE LICENSE**
23 **GRANTED PURSUANT TO THIS COMPACT SHALL SUBJECT THE LICENSEE TO THE**
24 **JURISDICTION OF THE STATE LICENSING AUTHORITY, THE COURTS, AND THE LAWS**
25 **OF THE MEMBER STATE IN WHICH THE COSMETOLOGY SERVICES ARE PROVIDED.**

26 **ARTICLE 5. REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME STATE.**

27 **A. A LICENSEE MAY HOLD A MULTISTATE LICENSE, ISSUED BY THEIR**
28 **HOME STATE, IN ONLY ONE MEMBER STATE AT ANY GIVEN TIME.**

29 **B. IF A LICENSEE CHANGES THEIR HOME STATE BY MOVING BETWEEN**
30 **TWO MEMBER STATES:**

31 **1. THE LICENSEE SHALL IMMEDIATELY APPLY FOR THE**

1 THE ABILITY OF A MEMBER STATE TO ENACT AND ENFORCE LAWS, REGULATIONS,
2 OR OTHER RULES RELATED TO THE PRACTICE OF COSMETOLOGY IN THAT STATE,
3 IF THOSE LAWS, REGULATIONS, OR OTHER RULES ARE NOT INCONSISTENT WITH THE
4 PROVISIONS OF THIS COMPACT.

5 B. INsofar AS PRACTICAL, A MEMBER STATE'S STATE LICENSING
6 AUTHORITY SHALL COOPERATE WITH THE COMMISSION AND WITH EACH ENTITY
7 EXERCISING INDEPENDENT REGULATORY AUTHORITY OVER THE PRACTICE OF
8 COSMETOLOGY ACCORDING TO THE PROVISIONS OF THIS COMPACT.

9 C. DISCIPLINE SHALL BE THE SOLE RESPONSIBILITY OF THE STATE IN
10 WHICH COSMETOLOGY SERVICES ARE PROVIDED. ACCORDINGLY, EACH MEMBER
11 STATE'S STATE LICENSING AUTHORITY SHALL BE RESPONSIBLE FOR RECEIVING
12 COMPLAINTS ABOUT INDIVIDUALS PRACTICING COSMETOLOGY IN THAT STATE AND
13 FOR COMMUNICATING ALL RELEVANT INVESTIGATIVE INFORMATION ABOUT ANY
14 SUCH ADVERSE ACTION TO THE OTHER MEMBER STATES THROUGH THE DATA
15 SYSTEM IN ADDITION TO ANY OTHER METHODS THE COMMISSION MAY BY RULE
16 REQUIRE.

17 ARTICLE 7. ADVERSE ACTIONS.

18 A. A LICENSEE'S HOME STATE SHALL HAVE EXCLUSIVE POWER TO IMPOSE
19 AN ADVERSE ACTION AGAINST A LICENSEE'S MULTISTATE LICENSE ISSUED BY THE
20 HOME STATE.

21 B. A HOME STATE MAY TAKE ADVERSE ACTION ON A MULTISTATE
22 LICENSE BASED ON THE INVESTIGATIVE INFORMATION, CURRENT SIGNIFICANT
23 INVESTIGATIVE INFORMATION, OR ADVERSE ACTION OF A REMOTE STATE.

24 C. IN ADDITION TO THE POWERS CONFERRED BY STATE LAW, EACH
25 REMOTE STATE'S STATE LICENSING AUTHORITY SHALL HAVE THE POWER TO:

26 1. TAKE ADVERSE ACTION AGAINST A LICENSEE'S AUTHORIZATION
27 TO PRACTICE COSMETOLOGY THROUGH THE MULTISTATE LICENSE IN THAT
28 MEMBER STATE, PROVIDED THAT:

29 A. ONLY THE LICENSEE'S HOME STATE SHALL HAVE THE
30 POWER TO TAKE ADVERSE ACTION AGAINST THE MULTISTATE LICENSE ISSUED BY
31 THE HOME STATE; AND

32 B. FOR THE PURPOSES OF TAKING ADVERSE ACTION, THE
33 HOME STATE'S STATE LICENSING AUTHORITY SHALL GIVE THE SAME PRIORITY
34 AND EFFECT TO REPORTED CONDUCT RECEIVED FROM A REMOTE STATE AS IT

1 WOULD IF THE CONDUCT HAD OCCURRED WITHIN THE HOME STATE. IN SO DOING,
2 THE HOME STATE SHALL APPLY ITS OWN STATE LAWS TO DETERMINE THE
3 APPROPRIATE ACTION.

4 2. **ISSUE CEASE AND DESIST ORDERS OR IMPOSE AN ENCUMBRANCE**
5 **ON A LICENSEE'S AUTHORIZATION TO PRACTICE WITHIN THAT MEMBER STATE.**

6 3. **COMPLETE ANY PENDING INVESTIGATIONS OF A LICENSEE WHO**
7 **CHANGES THEIR PRIMARY STATE OF RESIDENCE DURING THE COURSE OF SUCH AN**
8 **INVESTIGATION. THE STATE LICENSING AUTHORITY MAY REPORT THE RESULTS OF**
9 **AN INVESTIGATION TO THE COMMISSION THROUGH THE DATA SYSTEM AS**
10 **DESCRIBED HEREIN.**

11 4. **ISSUE SUBPOENAS FOR BOTH HEARINGS AND INVESTIGATIONS**
12 **THAT REQUIRE THE ATTENDANCE AND TESTIMONY OF WITNESSES, AS WELL AS THE**
13 **PRODUCTION OF EVIDENCE. SUBPOENAS ISSUED BY A STATE LICENSING**
14 **AUTHORITY IN A MEMBER STATE FOR THE ATTENDANCE AND TESTIMONY OF**
15 **WITNESSES OR THE PRODUCTION OF EVIDENCE FROM ANOTHER MEMBER STATE**
16 **SHALL BE ENFORCED IN THE LATTER STATE BY ANY COURT OF COMPETENT**
17 **JURISDICTION, ACCORDING TO THE PRACTICE AND PROCEDURE OF THAT COURT**
18 **APPLICABLE TO SUBPOENAS ISSUED IN PROCEEDINGS BEFORE IT. THE ISSUING**
19 **STATE LICENSING AUTHORITY SHALL PAY ANY WITNESS FEES, TRAVEL EXPENSES,**
20 **MILEAGE, AND OTHER FEES REQUIRED BY THE SERVICE STATUTES OF THE STATE IN**
21 **WHICH THE WITNESSES OR EVIDENCE ARE LOCATED.**

22 5. **IF OTHERWISE PERMITTED BY STATE LAW, RECOVER FROM THE**
23 **AFFECTED LICENSEE THE COSTS OF INVESTIGATIONS AND DISPOSITION OF CASES**
24 **RESULTING FROM ANY ADVERSE ACTION TAKEN AGAINST THAT LICENSEE.**

25 6. **TAKE ADVERSE ACTION AGAINST THE LICENSEE'S**
26 **AUTHORIZATION TO PRACTICE IN THAT STATE BASED ON THE FACTUAL FINDINGS**
27 **OF ANOTHER REMOTE STATE.**

28 **D. A LICENSEE'S HOME STATE SHALL COMPLETE ANY PENDING**
29 **INVESTIGATION OF A COSMETOLOGIST WHO CHANGES THEIR PRIMARY STATE OF**
30 **RESIDENCE DURING THE COURSE OF THE INVESTIGATION. THE HOME STATE SHALL**
31 **ALSO HAVE THE AUTHORITY TO TAKE APPROPRIATE ACTION AND SHALL PROMPTLY**
32 **REPORT THE CONCLUSIONS OF THE INVESTIGATIONS TO THE DATA SYSTEM.**

33 **E. IF AN ADVERSE ACTION IS TAKEN BY THE HOME STATE AGAINST A**
34 **LICENSEE'S MULTISTATE LICENSE, THE LICENSEE'S AUTHORIZATION TO**
35 **PRACTICE IN ALL OTHER MEMBER STATES SHALL BE DEACTIVATED UNTIL ALL**
36 **ENCUMBRANCES HAVE BEEN REMOVED FROM THE HOME STATE LICENSE. ALL**

1 HOME STATE DISCIPLINARY ORDERS THAT IMPOSE AN ADVERSE ACTION AGAINST
2 A LICENSEE'S MULTISTATE LICENSE SHALL INCLUDE A STATEMENT THAT THE
3 COSMETOLOGIST'S AUTHORIZATION TO PRACTICE IS DEACTIVATED IN ALL
4 MEMBER STATES DURING THE PENDENCY OF THE ORDER.

5 F. NOTHING IN THIS COMPACT SHALL OVERRIDE A MEMBER STATE'S
6 AUTHORITY TO ACCEPT A LICENSEE'S PARTICIPATION IN AN ALTERNATIVE
7 PROGRAM IN LIEU OF ADVERSE ACTION. A LICENSEE'S MULTISTATE LICENSE
8 SHALL BE SUSPENDED FOR THE DURATION OF THE LICENSEE'S PARTICIPATION IN
9 ANY ALTERNATIVE PROGRAM.

10 G. JOINT INVESTIGATIONS.

11 1. IN ADDITION TO THE AUTHORITY GRANTED TO A MEMBER STATE
12 BY ITS RESPECTIVE SCOPE OF PRACTICE LAWS OR OTHER APPLICABLE STATE LAW,
13 A MEMBER STATE MAY PARTICIPATE WITH OTHER MEMBER STATES IN JOINT
14 INVESTIGATIONS OF LICENSEES.

15 2. MEMBER STATES SHALL SHARE ANY INVESTIGATIVE, LITIGATION,
16 OR COMPLIANCE MATERIALS IN FURTHERANCE OF ANY JOINT OR INDIVIDUAL
17 INVESTIGATION INITIATED UNDER THE COMPACT.

18 ARTICLE 8. ACTIVE MILITARY MEMBERS AND THEIR SPOUSES.

19 ACTIVE MILITARY MEMBERS, OR THEIR SPOUSES, SHALL DESIGNATE A HOME
20 STATE WHERE THE INDIVIDUAL HAS A CURRENT LICENSE TO PRACTICE
21 COSMETOLOGY IN GOOD STANDING. THE INDIVIDUAL MAY RETAIN THEIR HOME
22 STATE DESIGNATION DURING ANY PERIOD OF SERVICE WHEN THAT INDIVIDUAL OR
23 THEIR SPOUSE IS ON ACTIVE DUTY ASSIGNMENT.

24 ARTICLE 9. ESTABLISHMENT AND OPERATION OF THE COSMETOLOGY LICENSURE
25 COMPACT COMMISSION.

26 A. THE COMPACT MEMBER STATES HEREBY CREATE AND ESTABLISH A
27 JOINT GOVERNMENT AGENCY WHOSE MEMBERSHIP CONSISTS OF ALL MEMBER
28 STATES THAT HAVE ENACTED THE COMPACT KNOWN AS THE COSMETOLOGY
29 LICENSURE COMPACT COMMISSION. THE COMMISSION IS AN INSTRUMENTALITY
30 OF THE COMPACT MEMBER STATES ACTING JOINTLY AND NOT AN
31 INSTRUMENTALITY OF ANY ONE STATE. THE COMMISSION SHALL COME INTO
32 EXISTENCE ON OR AFTER THE EFFECTIVE DATE OF THE COMPACT AS SET FORTH IN
33 ARTICLE 13.

34 B. MEMBERSHIP, VOTING, AND MEETINGS.

1 **1. EACH MEMBER STATE SHALL HAVE AND BE LIMITED TO ONE**
2 **DELEGATE SELECTED BY THAT MEMBER STATE'S STATE LICENSING AUTHORITY.**

3 **2. THE DELEGATE SHALL BE AN ADMINISTRATOR OF THE STATE**
4 **LICENSING AUTHORITY OF THE MEMBER STATE OR THEIR DESIGNEE.**

5 **3. THE COMMISSION SHALL BY RULE OR BYLAW ESTABLISH A TERM**
6 **OF OFFICE FOR DELEGATES AND MAY BY RULE OR BYLAW ESTABLISH TERM LIMITS.**

7 **4. THE COMMISSION MAY RECOMMEND REMOVAL OR SUSPENSION**
8 **OF ANY DELEGATE FROM OFFICE.**

9 **5. A MEMBER STATE'S STATE LICENSING AUTHORITY SHALL FILL**
10 **ANY VACANCY OF ITS DELEGATE OCCURRING ON THE COMMISSION WITHIN 60 DAYS**
11 **OF THE VACANCY.**

12 **6. EACH DELEGATE SHALL BE ENTITLED TO ONE VOTE ON ALL**
13 **MATTERS THAT ARE VOTED ON BY THE COMMISSION.**

14 **7. THE COMMISSION SHALL MEET AT LEAST ONCE DURING EACH**
15 **CALENDAR YEAR. ADDITIONAL MEETINGS MAY BE HELD AS SET FORTH IN THE**
16 **BYLAWS. THE COMMISSION MAY MEET BY TELECOMMUNICATION, VIDEO**
17 **CONFERENCE, OR OTHER SIMILAR ELECTRONIC MEANS.**

18 **C. THE COMMISSION SHALL HAVE THE FOLLOWING POWERS:**

19 **1. ESTABLISH THE FISCAL YEAR OF THE COMMISSION;**

20 **2. ESTABLISH A CODE OF CONDUCT AND CONFLICT OF INTEREST**
21 **POLICIES;**

22 **3. ADOPT RULES AND BYLAWS;**

23 **4. MAINTAIN ITS FINANCIAL RECORDS IN ACCORDANCE WITH THE**
24 **BYLAWS;**

25 **5. MEET AND TAKE SUCH ACTIONS AS ARE CONSISTENT WITH THE**
26 **PROVISIONS OF THIS COMPACT, THE COMMISSION'S RULES, AND THE BYLAWS;**

27 **6. INITIATE AND CONCLUDE LEGAL PROCEEDINGS OR ACTIONS IN**
28 **THE NAME OF THE COMMISSION, PROVIDED THAT THE STANDING OF ANY STATE**
29 **LICENSING AUTHORITY TO SUE OR BE SUED UNDER APPLICABLE LAW MAY NOT BE**

1 **AFFECTED;**

2 **7. MAINTAIN AND CERTIFY RECORDS AND INFORMATION PROVIDED**
3 **TO A MEMBER STATE AS THE AUTHENTICATED BUSINESS RECORDS OF THE**
4 **COMMISSION AND DESIGNATE AN AGENT TO DO SO ON THE COMMISSION'S BEHALF;**

5 **8. PURCHASE AND MAINTAIN INSURANCE AND BONDS;**

6 **9. BORROW, ACCEPT, OR CONTRACT FOR SERVICES OF PERSONNEL,**
7 **INCLUDING EMPLOYEES OF A MEMBER STATE;**

8 **10. CONDUCT AN ANNUAL FINANCIAL REVIEW;**

9 **11. HIRE EMPLOYEES, ELECT OR APPOINT OFFICERS, FIX**
10 **COMPENSATION, DEFINE DUTIES, GRANT SUCH INDIVIDUALS APPROPRIATE**
11 **AUTHORITY TO CARRY OUT THE PURPOSES OF THE COMPACT, AND ESTABLISH THE**
12 **COMMISSION'S PERSONNEL POLICIES AND PROGRAMS RELATING TO CONFLICTS OF**
13 **INTEREST, QUALIFICATIONS OF PERSONNEL, AND OTHER RELATED PERSONNEL**
14 **MATTERS;**

15 **12. AS SET FORTH IN THE COMMISSION RULES, CHARGE A FEE TO A**
16 **LICENSEE FOR THE GRANT OF A MULTISTATE LICENSE AND THEREAFTER, AS MAY**
17 **BE ESTABLISHED BY COMMISSION RULE, CHARGE THE LICENSEE A MULTISTATE**
18 **LICENSE RENEWAL FEE FOR EACH RENEWAL PERIOD. NOTHING HEREIN MAY BE**
19 **CONSTRUED TO PREVENT A HOME STATE FROM CHARGING A LICENSEE A FEE FOR**
20 **A MULTISTATE LICENSE OR RENEWALS OF A MULTISTATE LICENSE, OR A FEE FOR**
21 **THE JURISPRUDENCE REQUIREMENT IF THE MEMBER STATE IMPOSES SUCH A**
22 **REQUIREMENT FOR THE GRANT OF A MULTISTATE LICENSE;**

23 **13. ASSESS AND COLLECT FEES;**

24 **14. ACCEPT ANY AND ALL APPROPRIATE GIFTS, DONATIONS, GRANTS**
25 **OF MONEY, OTHER SOURCES OF REVENUE, EQUIPMENT, SUPPLIES, MATERIALS, AND**
26 **SERVICES, AND RECEIVE, UTILIZE, AND DISPOSE OF THE SAME; PROVIDED THAT AT**
27 **ALL TIMES THE COMMISSION SHALL AVOID ANY APPEARANCE OF IMPROPRIETY OR**
28 **CONFLICT OF INTEREST;**

29 **15. LEASE, PURCHASE, RETAIN, OWN, HOLD, IMPROVE, OR USE ANY**
30 **PROPERTY, REAL, PERSONAL, OR MIXED, OR ANY UNDIVIDED INTEREST THEREIN;**

31 **16. SELL, CONVEY, MORTGAGE, PLEDGE, LEASE, EXCHANGE,**
32 **ABANDON, OR OTHERWISE DISPOSE OF ANY PROPERTY, REAL, PERSONAL, OR MIXED;**

1 **17. ESTABLISH A BUDGET AND MAKE EXPENDITURES;**

2 **18. BORROW MONEY;**

3 **19. APPOINT COMMITTEES, INCLUDING STANDING COMMITTEES,**
4 **COMPOSED OF MEMBERS, STATE REGULATORS, STATE LEGISLATORS OR THEIR**
5 **REPRESENTATIVES, AND CONSUMER REPRESENTATIVES, AND SUCH OTHER**
6 **INTERESTED PERSONS AS MAY BE DESIGNATED IN THIS COMPACT AND THE BYLAWS;**

7 **20. PROVIDE AND RECEIVE INFORMATION FROM AND COOPERATE**
8 **WITH LAW ENFORCEMENT AGENCIES;**

9 **21. ELECT A CHAIR, VICE CHAIR, SECRETARY AND TREASURER AND**
10 **SUCH OTHER OFFICERS OF THE COMMISSION AS PROVIDED IN THE COMMISSION'S**
11 **BYLAWS;**

12 **22. ESTABLISH AND ELECT AN EXECUTIVE COMMITTEE, INCLUDING**
13 **A CHAIR AND A VICE CHAIR;**

14 **23. ADOPT AND PROVIDE TO THE MEMBER STATES AN ANNUAL**
15 **REPORT;**

16 **24. DETERMINE WHETHER A STATE'S ADOPTED LANGUAGE IS**
17 **MATERIALLY DIFFERENT FROM THE MODEL COMPACT LANGUAGE SUCH THAT THE**
18 **STATE WOULD NOT QUALIFY FOR PARTICIPATION IN THE COMPACT; AND**

19 **25. PERFORM SUCH OTHER FUNCTIONS AS MAY BE NECESSARY OR**
20 **APPROPRIATE TO ACHIEVE THE PURPOSES OF THIS COMPACT.**

21 **D. THE EXECUTIVE COMMITTEE.**

22 **1. THE EXECUTIVE COMMITTEE SHALL HAVE THE POWER TO ACT ON**
23 **BEHALF OF THE COMMISSION ACCORDING TO THE TERMS OF THIS COMPACT. THE**
24 **POWERS, DUTIES, AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE SHALL**
25 **INCLUDE:**

26 **A. OVERSEEING THE DAY-TO-DAY ACTIVITIES OF THE**
27 **ADMINISTRATION OF THE COMPACT INCLUDING COMPLIANCE WITH THE**
28 **PROVISIONS OF THE COMPACT, THE COMMISSION'S RULES AND BYLAWS, AND SUCH**
29 **OTHER DUTIES AS DEEMED NECESSARY;**

30 **B. RECOMMENDING TO THE COMMISSION CHANGES TO THE**
31 **RULES OR BYLAWS, CHANGES TO THIS COMPACT LEGISLATION, FEES CHARGED TO**

1 **COMPACT MEMBER STATES, FEES CHARGED TO LICENSEES, AND OTHER FEES;**

2 **C. ENSURING COMPACT ADMINISTRATION SERVICES ARE**
3 **APPROPRIATELY PROVIDED, INCLUDING BY CONTRACT;**

4 **D. PREPARING AND RECOMMENDING THE BUDGET;**

5 **E. MAINTAINING FINANCIAL RECORDS ON BEHALF OF THE**
6 **COMMISSION;**

7 **F. MONITORING COMPACT COMPLIANCE OF MEMBER STATES**
8 **AND PROVIDING COMPLIANCE REPORTS TO THE COMMISSION;**

9 **G. ESTABLISHING ADDITIONAL COMMITTEES AS NECESSARY;**

10 **H. EXERCISING THE POWERS AND DUTIES OF THE**
11 **COMMISSION DURING THE INTERIM BETWEEN COMMISSION MEETINGS, EXCEPT**
12 **FOR ADOPTING OR AMENDING RULES, ADOPTING OR AMENDING BYLAWS, AND**
13 **EXERCISING ANY OTHER POWERS AND DUTIES EXPRESSLY RESERVED TO THE**
14 **COMMISSION BY RULE OR BYLAW; AND**

15 **I. OTHER DUTIES AS PROVIDED IN THE RULES OR BYLAWS OF**
16 **THE COMMISSION.**

17 **2. THE EXECUTIVE COMMITTEE SHALL BE COMPOSED OF UP TO**
18 **SEVEN VOTING MEMBERS.**

19 **A. THE CHAIR AND VICE CHAIR OF THE COMMISSION AND ANY**
20 **OTHER MEMBERS OF THE COMMISSION WHO SERVE ON THE EXECUTIVE**
21 **COMMITTEE SHALL BE VOTING MEMBERS OF THE EXECUTIVE COMMITTEE; AND**

22 **B. OTHER THAN THE CHAIR, VICE CHAIR, SECRETARY AND**
23 **TREASURER, THE COMMISSION SHALL ELECT THREE VOTING MEMBERS FROM THE**
24 **CURRENT MEMBERSHIP OF THE COMMISSION.**

25 **C. THE COMMISSION MAY ELECT EX OFFICIO, NONVOTING**
26 **MEMBERS FROM A RECOGNIZED NATIONAL COSMETOLOGY PROFESSIONAL**
27 **ASSOCIATION AS APPROVED BY THE COMMISSION. THE COMMISSION'S BYLAWS**
28 **SHALL IDENTIFY QUALIFYING ORGANIZATIONS AND THE MANNER OF APPOINTMENT**
29 **IF THE NUMBER OF ORGANIZATIONS SEEKING TO APPOINT AN EX OFFICIO MEMBER**
30 **EXCEEDS THE NUMBER OF MEMBERS SPECIFIED IN THIS ARTICLE.**

31 **3. THE COMMISSION MAY REMOVE ANY MEMBER OF THE EXECUTIVE**

1 COMMITTEE AS PROVIDED IN THE COMMISSION'S BYLAWS.

2 4. THE EXECUTIVE COMMITTEE SHALL MEET AT LEAST ANNUALLY.

3 A. ANNUAL EXECUTIVE COMMITTEE MEETINGS, AS WELL AS
4 ANY EXECUTIVE COMMITTEE MEETING AT WHICH IT DOES NOT TAKE OR INTEND TO
5 TAKE FORMAL ACTION ON A MATTER FOR WHICH A COMMISSION VOTE WOULD
6 OTHERWISE BE REQUIRED, SHALL BE OPEN TO THE PUBLIC, EXCEPT THAT THE
7 EXECUTIVE COMMITTEE MAY MEET IN A CLOSED, NON-PUBLIC SESSION OF A
8 PUBLIC MEETING WHEN DEALING WITH ANY OF THE MATTERS COVERED UNDER
9 ARTICLE 9.F.4.

10 B. THE EXECUTIVE COMMITTEE SHALL GIVE 5 BUSINESS DAYS
11 ADVANCE NOTICE OF ITS PUBLIC MEETINGS, POSTED ON ITS WEBSITE AND AS
12 DETERMINED TO PROVIDE NOTICE TO PERSONS WITH AN INTEREST IN THE PUBLIC
13 MATTERS THE EXECUTIVE COMMITTEE INTENDS TO ADDRESS AT THOSE MEETINGS.

14 5. THE EXECUTIVE COMMITTEE MAY HOLD AN EMERGENCY
15 MEETING WHEN ACTING FOR THE COMMISSION TO:

16 A. MEET AN IMMINENT THREAT TO PUBLIC HEALTH, SAFETY,
17 OR WELFARE;

18 B. PREVENT A LOSS OF COMMISSION OR MEMBER STATE
19 FUNDS; OR

20 C. PROTECT PUBLIC HEALTH AND SAFETY.

21 E. THE COMMISSION SHALL ADOPT AND PROVIDE TO THE MEMBER
22 STATES AN ANNUAL REPORT.

23 F. MEETINGS OF THE COMMISSION.

24 1. ALL MEETINGS OF THE COMMISSION THAT ARE NOT CLOSED
25 PURSUANT TO ARTICLE 9.F.4. SHALL BE OPEN TO THE PUBLIC. NOTICE OF PUBLIC
26 MEETINGS SHALL BE POSTED ON THE COMMISSION'S WEBSITE AT LEAST 30 DAYS
27 PRIOR TO THE PUBLIC MEETING.

28 2. NOTWITHSTANDING ARTICLE 9.F.1., THE COMMISSION MAY
29 CONVENE AN EMERGENCY PUBLIC MEETING BY PROVIDING AT LEAST 24 HOURS
30 PRIOR NOTICE ON THE COMMISSION'S WEBSITE, AND ANY OTHER MEANS AS
31 PROVIDED IN THE COMMISSION'S RULES, FOR ANY OF THE REASONS IT MAY
32 DISPENSE WITH NOTICE OF PROPOSED RULEMAKING UNDER ARTICLE 11.L. THE

1 COMMISSION'S LEGAL COUNSEL SHALL CERTIFY THAT ONE OF THE REASONS
2 JUSTIFYING AN EMERGENCY PUBLIC MEETING HAS BEEN MET.

3 3. NOTICE OF ALL COMMISSION MEETINGS SHALL PROVIDE THE
4 TIME, DATE, AND LOCATION OF THE MEETING, AND IF THE MEETING IS TO BE HELD
5 OR ACCESSIBLE VIA TELECOMMUNICATION, VIDEO CONFERENCE, OR OTHER
6 ELECTRONIC MEANS, THE NOTICE SHALL INCLUDE THE MECHANISM FOR ACCESS TO
7 THE MEETING.

8 4. THE COMMISSION MAY CONVENE IN A CLOSED, NON-PUBLIC
9 MEETING FOR THE COMMISSION TO DISCUSS:

10 A. NON-COMPLIANCE OF A MEMBER STATE WITH ITS
11 OBLIGATIONS UNDER THE COMPACT;

12 B. THE EMPLOYMENT, COMPENSATION, DISCIPLINE OR OTHER
13 MATTERS, PRACTICES OR PROCEDURES RELATED TO SPECIFIC EMPLOYEES OR
14 OTHER MATTERS RELATED TO THE COMMISSION'S INTERNAL PERSONNEL
15 PRACTICES AND PROCEDURES;

16 C. CURRENT OR THREATENED DISCIPLINE OF A LICENSEE BY
17 THE COMMISSION OR BY A MEMBER STATE'S LICENSING AUTHORITY;

18 D. CURRENT, THREATENED, OR REASONABLY ANTICIPATED
19 LITIGATION;

20 E. NEGOTIATION OF CONTRACTS FOR THE PURCHASE, LEASE,
21 OR SALE OF GOODS, SERVICES, OR REAL ESTATE;

22 F. ACCUSING ANY PERSON OF A CRIME OR FORMALLY
23 CENSURING ANY PERSON;

24 G. TRADE SECRETS OR COMMERCIAL OR FINANCIAL
25 INFORMATION THAT IS PRIVILEGED OR CONFIDENTIAL;

26 H. INFORMATION OF A PERSONAL NATURE WHERE
27 DISCLOSURE WOULD CONSTITUTE A CLEARLY UNWARRANTED INVASION OF
28 PERSONAL PRIVACY;

29 I. INVESTIGATIVE RECORDS COMPILED FOR LAW
30 ENFORCEMENT PURPOSES;

31 J. INFORMATION RELATED TO ANY INVESTIGATIVE REPORTS

1 PREPARED BY OR ON BEHALF OF OR FOR USE OF THE COMMISSION OR OTHER
2 COMMITTEE CHARGED WITH RESPONSIBILITY OF INVESTIGATION OR
3 DETERMINATION OF COMPLIANCE ISSUES PURSUANT TO THE COMPACT;

4 K. LEGAL ADVICE;

5 L. MATTERS SPECIFICALLY EXEMPTED FROM DISCLOSURE TO
6 THE PUBLIC BY FEDERAL OR MEMBER STATE LAW; OR

7 M. OTHER MATTERS AS PROMULGATED BY THE COMMISSION
8 BY RULE.

9 5. IF A MEETING, OR PORTION OF A MEETING, IS CLOSED, THE
10 PRESIDING OFFICER SHALL STATE THAT THE MEETING WILL BE CLOSED AND
11 REFERENCE EACH RELEVANT EXEMPTING PROVISION, AND SUCH REFERENCE
12 SHALL BE RECORDED IN THE MINUTES.

13 6. THE COMMISSION SHALL KEEP MINUTES THAT FULLY AND
14 CLEARLY DESCRIBE ALL MATTERS DISCUSSED IN A MEETING AND SHALL PROVIDE A
15 FULL AND ACCURATE SUMMARY OF ACTIONS TAKEN, AND THE REASONS THEREFOR,
16 INCLUDING A DESCRIPTION OF THE VIEWS EXPRESSED. ALL DOCUMENTS
17 CONSIDERED IN CONNECTION WITH AN ACTION SHALL BE IDENTIFIED IN SUCH
18 MINUTES. ALL MINUTES AND DOCUMENTS OF A CLOSED MEETING SHALL REMAIN
19 UNDER SEAL, SUBJECT TO RELEASE ONLY BY A MAJORITY VOTE OF THE
20 COMMISSION OR ORDER OF A COURT OF COMPETENT JURISDICTION.

21 G. FINANCING OF THE COMMISSION.

22 1. THE COMMISSION SHALL PAY, OR PROVIDE FOR THE PAYMENT
23 OF, THE REASONABLE EXPENSES OF ITS ESTABLISHMENT, ORGANIZATION, AND
24 ONGOING ACTIVITIES.

25 2. THE COMMISSION MAY ACCEPT ANY AND ALL APPROPRIATE
26 SOURCES OF REVENUE, DONATIONS, AND GRANTS OF MONEY, EQUIPMENT,
27 SUPPLIES, MATERIALS, AND SERVICES.

28 3. THE COMMISSION MAY LEVY ON AND COLLECT AN ANNUAL
29 ASSESSMENT FROM EACH MEMBER STATE AND IMPOSE FEES ON LICENSEES OF
30 MEMBER STATES TO WHOM IT GRANTS A MULTISTATE LICENSE TO COVER THE
31 COST OF THE OPERATIONS AND ACTIVITIES OF THE COMMISSION AND ITS STAFF,
32 WHICH MUST BE IN A TOTAL AMOUNT SUFFICIENT TO COVER ITS ANNUAL BUDGET
33 AS APPROVED EACH YEAR FOR WHICH REVENUE IS NOT PROVIDED BY OTHER
34 SOURCES. THE AGGREGATE ANNUAL ASSESSMENT AMOUNT FOR MEMBER STATES

1 SHALL BE ALLOCATED BASED UPON A FORMULA THAT THE COMMISSION SHALL
2 PROMULGATE BY RULE.

3 4. THE COMMISSION MAY NOT INCUR OBLIGATIONS OF ANY KIND
4 PRIOR TO SECURING THE ADEQUATE FUNDS TO MEET THE SAME; NOR SHALL THE
5 COMMISSION PLEDGE THE CREDIT OF ANY MEMBER STATES, EXCEPT BY AND WITH
6 THE AUTHORITY OF THE MEMBER STATE.

7 5. THE COMMISSION SHALL KEEP ACCURATE ACCOUNTS OF ALL
8 RECEIPTS AND DISBURSEMENTS. THE RECEIPTS AND DISBURSEMENTS OF THE
9 COMMISSION SHALL BE SUBJECT TO THE FINANCIAL REVIEW AND ACCOUNTING
10 PROCEDURES ESTABLISHED UNDER ITS BYLAWS. ALL RECEIPTS AND
11 DISBURSEMENTS OF FUNDS HANDLED BY THE COMMISSION SHALL BE SUBJECT TO
12 AN ANNUAL FINANCIAL REVIEW BY A CERTIFIED OR LICENSED PUBLIC ACCOUNTANT
13 AND THE REPORT OF THE FINANCIAL REVIEW SHALL BE INCLUDED IN AND BECOME
14 PART OF THE ANNUAL REPORT OF THE COMMISSION.

15 H. QUALIFIED IMMUNITY, DEFENSE, AND INDEMNIFICATION.

16 1. THE MEMBERS, OFFICERS, EXECUTIVE DIRECTOR, EMPLOYEES
17 AND REPRESENTATIVES OF THE COMMISSION SHALL BE IMMUNE FROM SUIT AND
18 LIABILITY, BOTH PERSONALLY AND IN THEIR OFFICIAL CAPACITY, FOR ANY CLAIM
19 FOR DAMAGE TO OR LOSS OF PROPERTY OR PERSONAL INJURY OR OTHER CIVIL
20 LIABILITY CAUSED BY OR ARISING OUT OF ANY ACTUAL OR ALLEGED ACT, ERROR,
21 OR OMISSION THAT OCCURRED, OR THAT THE PERSON AGAINST WHOM THE CLAIM
22 IS MADE HAD A REASONABLE BASIS FOR BELIEVING OCCURRED WITHIN THE SCOPE
23 OF COMMISSION EMPLOYMENT, DUTIES OR RESPONSIBILITIES; PROVIDED THAT
24 NOTHING IN THIS PARAGRAPH MAY BE CONSTRUED TO PROTECT ANY SUCH PERSON
25 FROM SUIT OR LIABILITY FOR ANY DAMAGE, LOSS, INJURY, OR LIABILITY CAUSED BY
26 THE INTENTIONAL OR WILLFUL OR WANTON MISCONDUCT OF THAT PERSON. THE
27 PROCUREMENT OF INSURANCE OF ANY TYPE BY THE COMMISSION MAY NOT IN ANY
28 WAY COMPROMISE OR LIMIT THE IMMUNITY GRANTED HEREUNDER.

29 2. THE COMMISSION SHALL DEFEND ANY MEMBER, OFFICER,
30 EXECUTIVE DIRECTOR, EMPLOYEE, AND REPRESENTATIVE OF THE COMMISSION IN
31 ANY CIVIL ACTION SEEKING TO IMPOSE LIABILITY ARISING OUT OF ANY ACTUAL OR
32 ALLEGED ACT, ERROR, OR OMISSION THAT OCCURRED WITHIN THE SCOPE OF
33 COMMISSION EMPLOYMENT, DUTIES, OR RESPONSIBILITIES, OR AS DETERMINED BY
34 THE COMMISSION THAT THE PERSON AGAINST WHOM THE CLAIM IS MADE HAD A
35 REASONABLE BASIS FOR BELIEVING OCCURRED WITHIN THE SCOPE OF
36 COMMISSION EMPLOYMENT, DUTIES, OR RESPONSIBILITIES; PROVIDED THAT
37 NOTHING HEREIN MAY BE CONSTRUED TO PROHIBIT THAT PERSON FROM
38 RETAINING THEIR OWN COUNSEL AT THEIR OWN EXPENSE; AND PROVIDED FURTHER

- 1 **1. IDENTIFYING INFORMATION;**
- 2 **2. LICENSURE DATA;**
- 3 **3. ADVERSE ACTIONS AGAINST A LICENSE AND RELATED THERETO;**
- 4 **4. NON-CONFIDENTIAL INFORMATION RELATED TO ALTERNATIVE**
5 **PROGRAM PARTICIPATION, THE BEGINNING AND ENDING DATES OF SUCH**
6 **PARTICIPATION, AND OTHER INFORMATION RELATED TO SUCH PARTICIPATION;**
- 7 **5. ANY DENIAL OF APPLICATION FOR LICENSURE AND THE REASON**
8 **FOR THE DENIAL (EXCLUDING THE REPORTING OF ANY CRIMINAL HISTORY RECORD**
9 **INFORMATION WHERE PROHIBITED BY LAW);**
- 10 **6. THE EXISTENCE OF INVESTIGATIVE INFORMATION;**
- 11 **7. THE EXISTENCE OF CURRENT SIGNIFICANT INVESTIGATIVE**
12 **INFORMATION; AND**
- 13 **8. OTHER INFORMATION THAT MAY FACILITATE THE**
14 **ADMINISTRATION OF THIS COMPACT OR THE PROTECTION OF THE PUBLIC, AS**
15 **DETERMINED BY THE RULES OF THE COMMISSION.**

16 **D. THE RECORDS AND INFORMATION PROVIDED TO A MEMBER STATE**
17 **PURSUANT TO THIS COMPACT OR THROUGH THE DATA SYSTEM, WHEN CERTIFIED**
18 **BY THE COMMISSION OR AN AGENT THEREOF, SHALL CONSTITUTE THE**
19 **AUTHENTICATED BUSINESS RECORDS OF THE COMMISSION, AND SHALL BE**
20 **ENTITLED TO ANY ASSOCIATED HEARSAY EXCEPTION IN ANY RELEVANT JUDICIAL,**
21 **QUASI-JUDICIAL OR ADMINISTRATIVE PROCEEDINGS IN A MEMBER STATE.**

22 **E. THE EXISTENCE OF CURRENT SIGNIFICANT INVESTIGATIVE**
23 **INFORMATION AND THE EXISTENCE OF INVESTIGATIVE INFORMATION PERTAINING**
24 **TO A LICENSEE IN ANY MEMBER STATE WILL ONLY BE AVAILABLE TO OTHER**
25 **MEMBER STATES.**

26 **F. IT IS THE RESPONSIBILITY OF THE MEMBER STATES TO MONITOR THE**
27 **DATABASE TO DETERMINE WHETHER ADVERSE ACTION HAS BEEN TAKEN AGAINST**
28 **SUCH A LICENSEE OR LICENSE APPLICANT. ADVERSE ACTION INFORMATION**
29 **PERTAINING TO A LICENSEE OR LICENSE APPLICANT IN ANY MEMBER STATE WILL**
30 **BE AVAILABLE TO ANY OTHER MEMBER STATE.**

31 **G. MEMBER STATES CONTRIBUTING INFORMATION TO THE DATA SYSTEM**

1 MAY DESIGNATE INFORMATION THAT MAY NOT BE SHARED WITH THE PUBLIC
2 WITHOUT THE EXPRESS PERMISSION OF THE CONTRIBUTING STATE.

3 H. ANY INFORMATION SUBMITTED TO THE DATA SYSTEM THAT IS
4 SUBSEQUENTLY EXPUNGED PURSUANT TO FEDERAL LAW OR THE LAWS OF THE
5 MEMBER STATE CONTRIBUTING THE INFORMATION SHALL BE REMOVED FROM THE
6 DATA SYSTEM.

7 ARTICLE 11. RULEMAKING.

8 A. THE COMMISSION SHALL PROMULGATE REASONABLE RULES IN ORDER
9 TO EFFECTIVELY AND EFFICIENTLY IMPLEMENT AND ADMINISTER THE PURPOSES
10 AND PROVISIONS OF THE COMPACT. A RULE SHALL BE INVALID AND HAVE NO
11 FORCE OR EFFECT ONLY IF A COURT OF COMPETENT JURISDICTION HOLDS THAT
12 THE RULE IS INVALID BECAUSE THE COMMISSION EXERCISED ITS RULEMAKING
13 AUTHORITY IN A MANNER THAT IS BEYOND THE SCOPE AND PURPOSES OF THE
14 COMPACT, THE POWERS GRANTED UNDER THE COMPACT, OR BASED UPON
15 ANOTHER APPLICABLE STANDARD OF REVIEW.

16 B. THE RULES OF THE COMMISSION SHALL HAVE THE FORCE OF LAW IN
17 EACH MEMBER STATE, PROVIDED HOWEVER THAT WHERE THE RULES OF THE
18 COMMISSION CONFLICT WITH THE LAWS OF THE MEMBER STATE THAT ESTABLISH
19 THE MEMBER STATE'S SCOPE OF PRACTICE LAWS GOVERNING THE PRACTICE OF
20 COSMETOLOGY AS HELD BY A COURT OF COMPETENT JURISDICTION, THE RULES OF
21 THE COMMISSION SHALL BE INEFFECTIVE IN THAT STATE TO THE EXTENT OF THE
22 CONFLICT.

23 C. THE COMMISSION SHALL EXERCISE ITS RULEMAKING POWERS
24 PURSUANT TO THE CRITERIA SET FORTH IN THIS ARTICLE AND THE RULES
25 ADOPTED THEREUNDER. RULES SHALL BECOME BINDING AS OF THE DATE
26 SPECIFIED BY THE COMMISSION FOR EACH RULE.

27 D. IF A MAJORITY OF THE LEGISLATURES OF THE MEMBER STATES
28 REJECTS A RULE OR PORTION OF A RULE, BY ENACTMENT OF A STATUTE OR
29 RESOLUTION IN THE SAME MANNER USED TO ADOPT THE COMPACT WITHIN 4 YEARS
30 OF THE DATE OF ADOPTION OF THE RULE, THEN THE RULE MAY NOT HAVE FURTHER
31 FORCE AND EFFECT IN ANY MEMBER STATE OR TO ANY STATE APPLYING TO
32 PARTICIPATE IN THE COMPACT.

33 E. RULES SHALL BE ADOPTED AT A REGULAR OR SPECIAL MEETING OF THE
34 COMMISSION.

35 F. PRIOR TO THE ADOPTION OF A PROPOSED RULE, THE COMMISSION

1 SHALL HOLD A PUBLIC HEARING AND ALLOW PERSONS TO PROVIDE ORAL AND
2 WRITTEN COMMENTS, DATA, FACTS, OPINIONS, AND ARGUMENTS.

3 G. PRIOR TO THE ADOPTION OF A PROPOSED RULE BY THE COMMISSION,
4 AND AT LEAST 30 DAYS IN ADVANCE OF THE MEETING AT WHICH THE COMMISSION
5 WILL HOLD A PUBLIC HEARING ON THE PROPOSED RULE, THE COMMISSION SHALL
6 PROVIDE A NOTICE OF PROPOSED RULEMAKING:

7 1. ON THE WEBSITE OF THE COMMISSION OR OTHER PUBLICLY
8 ACCESSIBLE PLATFORM;

9 2. TO PERSONS WHO HAVE REQUESTED NOTICE OF THE
10 COMMISSION'S NOTICES OF PROPOSED RULEMAKING; AND

11 3. IN ANY SUCH WAY THE COMMISSION MAY BY RULE SPECIFY.

12 H. THE NOTICE OF PROPOSED RULEMAKING SHALL INCLUDE:

13 1. THE TIME, DATE, AND LOCATION OF THE PUBLIC HEARING AT
14 WHICH THE COMMISSION WILL HEAR PUBLIC COMMENTS ON THE PROPOSED RULE
15 AND, IF DIFFERENT, THE TIME, DATE, AND LOCATION OF THE MEETING WHERE THE
16 COMMISSION WILL CONSIDER AND VOTE ON THE PROPOSED RULE;

17 2. IF THE HEARING IS HELD VIA TELECOMMUNICATION, VIDEO
18 CONFERENCE, OR OTHER ELECTRONIC MEANS, THE COMMISSION SHALL INCLUDE
19 THE MECHANISM FOR ACCESS TO THE HEARING IN THE NOTICE OF PROPOSED
20 RULEMAKING;

21 3. THE TEXT OF THE PROPOSED RULE AND THE REASON THEREFOR;

22 4. A REQUEST FOR COMMENTS ON THE PROPOSED RULE FROM ANY
23 INTERESTED PERSON; AND

24 5. THE MANNER IN WHICH INTERESTED PERSONS MAY SUBMIT
25 WRITTEN COMMENTS.

26 I. ALL HEARINGS SHALL BE RECORDED. A COPY OF THE RECORDING AND
27 ALL WRITTEN COMMENTS AND DOCUMENTS RECEIVED BY THE COMMISSION IN
28 RESPONSE TO THE PROPOSED RULE SHALL BE AVAILABLE TO THE PUBLIC.

29 J. NOTHING IN THIS ARTICLE MAY BE CONSTRUED AS REQUIRING A
30 SEPARATE HEARING ON EACH RULE. RULES MAY BE GROUPED FOR THE
31 CONVENIENCE OF THE COMMISSION AT HEARINGS REQUIRED BY THIS ARTICLE.

1 **K. THE COMMISSION SHALL, BY MAJORITY VOTE OF ALL MEMBERS, TAKE**
2 **FINAL ACTION ON THE PROPOSED RULE BASED ON THE RULEMAKING RECORD AND**
3 **THE FULL TEXT OF THE RULE.**

4 **1. THE COMMISSION MAY ADOPT CHANGES TO THE PROPOSED RULE**
5 **PROVIDED THE CHANGES DO NOT ENLARGE THE ORIGINAL PURPOSE OF THE**
6 **PROPOSED RULE.**

7 **2. THE COMMISSION SHALL PROVIDE AN EXPLANATION OF THE**
8 **REASONS FOR SUBSTANTIVE CHANGES MADE TO THE PROPOSED RULE AS WELL AS**
9 **REASONS FOR SUBSTANTIVE CHANGES NOT MADE THAT WERE RECOMMENDED BY**
10 **COMMENTERS.**

11 **3. THE COMMISSION SHALL DETERMINE A REASONABLE EFFECTIVE**
12 **DATE FOR THE RULE. EXCEPT FOR AN EMERGENCY AS PROVIDED IN ARTICLE 11.L.,**
13 **THE EFFECTIVE DATE OF THE RULE SHALL BE NO SOONER THAN 45 DAYS AFTER THE**
14 **COMMISSION ISSUING THE NOTICE THAT IT ADOPTED OR AMENDED THE RULE.**

15 **L. UPON A DETERMINATION THAT AN EMERGENCY EXISTS, THE**
16 **COMMISSION MAY CONSIDER AND ADOPT AN EMERGENCY RULE WITHIN 5 DAYS,**
17 **WITH OPPORTUNITY TO COMMENT, PROVIDED THAT THE USUAL RULEMAKING**
18 **PROCEDURES PROVIDED IN THE COMPACT AND IN THIS ARTICLE SHALL BE**
19 **RETROACTIVELY APPLIED TO THE RULE AS SOON AS REASONABLY POSSIBLE, IN NO**
20 **EVENT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THE RULE. FOR THE**
21 **PURPOSES OF THIS PROVISION, AN EMERGENCY RULE IS ONE THAT MUST BE**
22 **ADOPTED IMMEDIATELY TO:**

23 **1. MEET AN IMMINENT THREAT TO PUBLIC HEALTH, SAFETY, OR**
24 **WELFARE;**

25 **2. PREVENT A LOSS OF COMMISSION OR MEMBER STATE FUNDS;**

26 **3. MEET A DEADLINE FOR THE PROMULGATION OF A RULE THAT IS**
27 **ESTABLISHED BY FEDERAL LAW OR RULE; OR**

28 **4. PROTECT PUBLIC HEALTH AND SAFETY.**

29 **M. THE COMMISSION OR AN AUTHORIZED COMMITTEE OF THE**
30 **COMMISSION MAY DIRECT REVISIONS TO A PREVIOUSLY ADOPTED RULE FOR**
31 **PURPOSES OF CORRECTING TYPOGRAPHICAL ERRORS, ERRORS IN FORMAT,**
32 **ERRORS IN CONSISTENCY, OR GRAMMATICAL ERRORS. PUBLIC NOTICE OF ANY**
33 **REVISIONS SHALL BE POSTED ON THE WEBSITE OF THE COMMISSION. THE REVISION**

1 SHALL BE SUBJECT TO CHALLENGE BY ANY PERSON FOR A PERIOD OF 30 DAYS
2 AFTER POSTING. THE REVISION MAY BE CHALLENGED ONLY ON GROUNDS THAT THE
3 REVISION RESULTS IN A MATERIAL CHANGE TO A RULE. A CHALLENGE SHALL BE
4 MADE IN WRITING AND DELIVERED TO THE COMMISSION PRIOR TO THE END OF THE
5 NOTICE PERIOD. IF NO CHALLENGE IS MADE, THE REVISION WILL TAKE EFFECT
6 WITHOUT FURTHER ACTION. IF THE REVISION IS CHALLENGED, THE REVISION MAY
7 NOT TAKE EFFECT WITHOUT THE APPROVAL OF THE COMMISSION.

8 N. NO MEMBER STATE'S RULEMAKING REQUIREMENTS MAY APPLY UNDER
9 THIS COMPACT.

10 ARTICLE 12. OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT.

11 A. OVERSIGHT.

12 1. THE EXECUTIVE AND JUDICIAL BRANCHES OF STATE
13 GOVERNMENT IN EACH MEMBER STATE SHALL ENFORCE THIS COMPACT AND TAKE
14 ALL ACTIONS NECESSARY AND APPROPRIATE TO IMPLEMENT THE COMPACT.

15 2. VENUE IS PROPER AND JUDICIAL PROCEEDINGS BY OR AGAINST
16 THE COMMISSION SHALL BE BROUGHT SOLELY AND EXCLUSIVELY IN A COURT OF
17 COMPETENT JURISDICTION WHERE THE PRINCIPAL OFFICE OF THE COMMISSION IS
18 LOCATED. THE COMMISSION MAY WAIVE VENUE AND JURISDICTIONAL DEFENSES
19 TO THE EXTENT IT ADOPTS OR CONSENTS TO PARTICIPATE IN ALTERNATIVE
20 DISPUTE RESOLUTION PROCEEDINGS. NOTHING HEREIN SHALL AFFECT OR LIMIT
21 THE SELECTION OR PROPRIETY OF VENUE IN ANY ACTION AGAINST A LICENSEE FOR
22 PROFESSIONAL MALPRACTICE, MISCONDUCT OR ANY SUCH SIMILAR MATTER.

23 3. THE COMMISSION SHALL BE ENTITLED TO RECEIVE SERVICE OF
24 PROCESS IN ANY PROCEEDING REGARDING THE ENFORCEMENT OR
25 INTERPRETATION OF THE COMPACT AND SHALL HAVE STANDING TO INTERVENE IN
26 SUCH A PROCEEDING FOR ALL PURPOSES. FAILURE TO PROVIDE THE COMMISSION
27 SERVICE OF PROCESS SHALL RENDER A JUDGMENT OR ORDER VOID AS TO THE
28 COMMISSION, THIS COMPACT, OR PROMULGATED RULES.

29 B. DEFAULT, TECHNICAL ASSISTANCE, AND TERMINATION.

30 1. IF THE COMMISSION DETERMINES THAT A MEMBER STATE HAS
31 DEFAULTED IN THE PERFORMANCE OF ITS OBLIGATIONS OR RESPONSIBILITIES
32 UNDER THIS COMPACT OR THE PROMULGATED RULES, THE COMMISSION SHALL
33 PROVIDE WRITTEN NOTICE TO THE DEFAULTING STATE. THE NOTICE OF DEFAULT
34 SHALL DESCRIBE THE DEFAULT, THE PROPOSED MEANS OF CURING THE DEFAULT,
35 AND ANY OTHER ACTION THAT THE COMMISSION MAY TAKE, AND SHALL OFFER

1 TRAINING AND SPECIFIC TECHNICAL ASSISTANCE REGARDING THE DEFAULT.

2 2. THE COMMISSION SHALL PROVIDE A COPY OF THE NOTICE OF
3 DEFAULT TO THE OTHER MEMBER STATES.

4 3. IF A STATE IN DEFAULT FAILS TO CURE THE DEFAULT, THE
5 DEFAULTING STATE MAY BE TERMINATED FROM THE COMPACT AFTER AN
6 AFFIRMATIVE VOTE OF A MAJORITY OF THE DELEGATES OF THE MEMBER STATES,
7 AND ALL RIGHTS, PRIVILEGES AND BENEFITS CONFERRED ON THAT STATE BY THIS
8 COMPACT MAY BE TERMINATED ON THE EFFECTIVE DATE OF TERMINATION. A CURE
9 OF THE DEFAULT DOES NOT RELIEVE THE OFFENDING STATE OF OBLIGATIONS OR
10 LIABILITIES INCURRED DURING THE PERIOD OF DEFAULT.

11 4. TERMINATION OF MEMBERSHIP IN THE COMPACT SHALL BE
12 IMPOSED ONLY AFTER ALL OTHER MEANS OF SECURING COMPLIANCE HAVE BEEN
13 EXHAUSTED. NOTICE OF INTENT TO SUSPEND OR TERMINATE SHALL BE GIVEN BY
14 THE COMMISSION TO THE GOVERNOR, THE MAJORITY AND MINORITY LEADERS OF
15 THE DEFAULTING STATE'S LEGISLATURE, THE DEFAULTING STATE'S STATE
16 LICENSING AUTHORITY AND EACH OF THE MEMBER STATES' STATE LICENSING
17 AUTHORITY.

18 5. A STATE THAT HAS BEEN TERMINATED IS RESPONSIBLE FOR ALL
19 ASSESSMENTS, OBLIGATIONS, AND LIABILITIES INCURRED THROUGH THE
20 EFFECTIVE DATE OF TERMINATION, INCLUDING OBLIGATIONS THAT EXTEND
21 BEYOND THE EFFECTIVE DATE OF TERMINATION.

22 6. UPON THE TERMINATION OF A STATE'S MEMBERSHIP FROM THIS
23 COMPACT, THAT STATE SHALL IMMEDIATELY PROVIDE NOTICE TO ALL LICENSEES
24 WHO HOLD A MULTISTATE LICENSE WITHIN THAT STATE OF SUCH TERMINATION.
25 THE TERMINATED STATE SHALL CONTINUE TO RECOGNIZE ALL LICENSES GRANTED
26 PURSUANT TO THIS COMPACT FOR A MINIMUM OF 180 DAYS AFTER THE DATE OF
27 SAID NOTICE OF TERMINATION.

28 7. THE COMMISSION MAY NOT BEAR ANY COSTS RELATED TO A
29 STATE THAT IS FOUND TO BE IN DEFAULT OR THAT HAS BEEN TERMINATED FROM
30 THE COMPACT, UNLESS AGREED UPON IN WRITING BETWEEN THE COMMISSION AND
31 THE DEFAULTING STATE.

32 8. THE DEFAULTING STATE MAY APPEAL THE ACTION OF THE
33 COMMISSION BY PETITIONING THE UNITED STATES DISTRICT COURT FOR THE
34 DISTRICT OF COLUMBIA OR THE FEDERAL DISTRICT WHERE THE COMMISSION HAS
35 ITS PRINCIPAL OFFICES. THE PREVAILING PARTY SHALL BE AWARDED ALL COSTS
36 OF SUCH LITIGATION, INCLUDING REASONABLE ATTORNEY'S FEES.

1 **C. DISPUTE RESOLUTION.**

2 1. **UPON REQUEST BY A MEMBER STATE, THE COMMISSION SHALL**
3 **ATTEMPT TO RESOLVE DISPUTES RELATED TO THE COMPACT THAT ARISE AMONG**
4 **MEMBER STATES AND BETWEEN MEMBER AND NON-MEMBER STATES.**

5 2. **THE COMMISSION SHALL PROMULGATE A RULE PROVIDING FOR**
6 **BOTH MEDIATION AND BINDING DISPUTE RESOLUTION FOR DISPUTES AS**
7 **APPROPRIATE.**

8 **D. ENFORCEMENT.**

9 1. **THE COMMISSION, IN THE REASONABLE EXERCISE OF ITS**
10 **DISCRETION, SHALL ENFORCE THE PROVISIONS OF THIS COMPACT AND THE**
11 **COMMISSION'S RULES.**

12 2. **BY MAJORITY VOTE AS PROVIDED BY COMMISSION RULE, THE**
13 **COMMISSION MAY INITIATE LEGAL ACTION AGAINST A MEMBER STATE IN DEFAULT**
14 **IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA OR THE**
15 **FEDERAL DISTRICT WHERE THE COMMISSION HAS ITS PRINCIPAL OFFICES TO**
16 **ENFORCE COMPLIANCE WITH THE PROVISIONS OF THE COMPACT AND ITS**
17 **PROMULGATED RULES. THE RELIEF SOUGHT MAY INCLUDE BOTH INJUNCTIVE**
18 **RELIEF AND DAMAGES. IN THE EVENT JUDICIAL ENFORCEMENT IS NECESSARY, THE**
19 **PREVAILING PARTY SHALL BE AWARDED ALL COSTS OF SUCH LITIGATION,**
20 **INCLUDING REASONABLE ATTORNEY'S FEES. THE REMEDIES HEREIN MAY NOT BE**
21 **THE EXCLUSIVE REMEDIES OF THE COMMISSION. THE COMMISSION MAY PURSUE**
22 **ANY OTHER REMEDIES AVAILABLE UNDER FEDERAL OR THE DEFAULTING MEMBER**
23 **STATE'S LAW.**

24 3. **A MEMBER STATE MAY INITIATE LEGAL ACTION AGAINST THE**
25 **COMMISSION IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF**
26 **COLUMBIA OR THE FEDERAL DISTRICT WHERE THE COMMISSION HAS ITS**
27 **PRINCIPAL OFFICES TO ENFORCE COMPLIANCE WITH THE PROVISIONS OF THE**
28 **COMPACT AND ITS PROMULGATED RULES. THE RELIEF SOUGHT MAY INCLUDE**
29 **BOTH INJUNCTIVE RELIEF AND DAMAGES. IN THE EVENT JUDICIAL ENFORCEMENT**
30 **IS NECESSARY, THE PREVAILING PARTY SHALL BE AWARDED ALL COSTS OF SUCH**
31 **LITIGATION, INCLUDING REASONABLE ATTORNEY'S FEES.**

32 4. **NO INDIVIDUAL OR ENTITY OTHER THAN A MEMBER STATE MAY**
33 **ENFORCE THIS COMPACT AGAINST THE COMMISSION.**

34 **ARTICLE 13. EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT.**

1 **A. THE COMPACT SHALL COME INTO EFFECT ON THE DATE ON WHICH THE**
2 **COMPACT STATUTE IS ENACTED INTO LAW IN THE SEVENTH MEMBER STATE.**

3 **1. ON OR AFTER THE EFFECTIVE DATE OF THE COMPACT, THE**
4 **COMMISSION SHALL CONVENE AND REVIEW THE ENACTMENT OF EACH OF THE**
5 **CHARTER MEMBER STATES TO DETERMINE IF THE STATUTE ENACTED BY EACH**
6 **SUCH CHARTER MEMBER STATE IS MATERIALLY DIFFERENT THAN THE MODEL**
7 **COMPACT STATUTE.**

8 **A. A CHARTER MEMBER STATE WHOSE ENACTMENT IS FOUND**
9 **TO BE MATERIALLY DIFFERENT FROM THE MODEL COMPACT STATUTE SHALL BE**
10 **ENTITLED TO THE DEFAULT PROCESS SET FORTH IN ARTICLE 12.**

11 **B. IF ANY MEMBER STATE IS LATER FOUND TO BE IN DEFAULT,**
12 **OR IS TERMINATED OR WITHDRAWS FROM THE COMPACT, THE COMMISSION SHALL**
13 **REMAIN IN EXISTENCE AND THE COMPACT SHALL REMAIN IN EFFECT EVEN IF THE**
14 **NUMBER OF MEMBER STATES SHOULD BE LESS THAN 7.**

15 **2. MEMBER STATES ENACTING THE COMPACT SUBSEQUENT TO THE**
16 **CHARTER MEMBER STATES SHALL BE SUBJECT TO THE PROCESS SET FORTH IN**
17 **ARTICLE 9.C.24. TO DETERMINE IF THEIR ENACTMENTS ARE MATERIALLY**
18 **DIFFERENT FROM THE MODEL COMPACT STATUTE AND WHETHER THEY QUALIFY**
19 **FOR PARTICIPATION IN THE COMPACT.**

20 **3. ALL ACTIONS TAKEN FOR THE BENEFIT OF THE COMMISSION OR**
21 **IN FURTHERANCE OF THE PURPOSES OF THE ADMINISTRATION OF THE COMPACT**
22 **PRIOR TO THE EFFECTIVE DATE OF THE COMPACT OR THE COMMISSION COMING**
23 **INTO EXISTENCE SHALL BE CONSIDERED TO BE ACTIONS OF THE COMMISSION**
24 **UNLESS SPECIFICALLY REPUDIATED BY THE COMMISSION.**

25 **4. ANY STATE THAT JOINS THE COMPACT SHALL BE SUBJECT TO**
26 **THE COMMISSION'S RULES AND BYLAWS AS THEY EXIST ON THE DATE ON WHICH**
27 **THE COMPACT BECOMES LAW IN THAT STATE. ANY RULE THAT HAS BEEN**
28 **PREVIOUSLY ADOPTED BY THE COMMISSION SHALL HAVE THE FULL FORCE AND**
29 **EFFECT OF LAW ON THE DAY THE COMPACT BECOMES LAW IN THAT STATE.**

30 **B. ANY MEMBER STATE MAY WITHDRAW FROM THIS COMPACT BY**
31 **ENACTING A STATUTE REPEALING THAT STATE'S ENACTMENT OF THE COMPACT.**

32 **1. A MEMBER STATE'S WITHDRAWAL MAY NOT TAKE EFFECT UNTIL**
33 **180 DAYS AFTER ENACTMENT OF THE REPEALING STATUTE.**

1 **2. WITHDRAWAL MAY NOT AFFECT THE CONTINUING REQUIREMENT**
2 **OF THE WITHDRAWING STATE'S STATE LICENSING AUTHORITY TO COMPLY WITH**
3 **THE INVESTIGATIVE AND ADVERSE ACTION REPORTING REQUIREMENTS OF THIS**
4 **COMPACT BEFORE THE EFFECTIVE DATE OF WITHDRAWAL.**

5 **3. UPON THE ENACTMENT OF A STATUTE WITHDRAWING FROM THIS**
6 **COMPACT, A STATE SHALL IMMEDIATELY PROVIDE NOTICE OF THE WITHDRAWAL**
7 **TO ALL LICENSEES WITHIN THAT STATE. NOTWITHSTANDING ANY SUBSEQUENT**
8 **STATUTORY ENACTMENT TO THE CONTRARY, SUCH WITHDRAWING STATE SHALL**
9 **CONTINUE TO RECOGNIZE ALL LICENSES GRANTED PURSUANT TO THIS COMPACT**
10 **FOR A MINIMUM OF 180 DAYS AFTER THE DATE OF THE NOTICE OF WITHDRAWAL.**

11 **C. NOTHING CONTAINED IN THIS COMPACT MAY BE CONSTRUED TO**
12 **INVALIDATE OR PREVENT ANY LICENSURE AGREEMENT OR OTHER COOPERATIVE**
13 **ARRANGEMENT BETWEEN A MEMBER STATE AND A NON-MEMBER STATE THAT**
14 **DOES NOT CONFLICT WITH THE PROVISIONS OF THIS COMPACT.**

15 **D. THIS COMPACT MAY BE AMENDED BY THE MEMBER STATES. NO**
16 **AMENDMENT TO THIS COMPACT SHALL BECOME EFFECTIVE AND BINDING UPON**
17 **ANY MEMBER STATE UNTIL IT IS ENACTED INTO THE LAWS OF ALL MEMBER STATES.**

18 **ARTICLE 14. CONSTRUCTION AND SEVERABILITY.**

19 **A. THIS COMPACT AND THE COMMISSION'S RULEMAKING AUTHORITY**
20 **SHALL BE LIBERALLY CONSTRUED SO AS TO EFFECTUATE THE PURPOSES AND THE**
21 **IMPLEMENTATION AND ADMINISTRATION OF THE COMPACT. PROVISIONS OF THE**
22 **COMPACT EXPRESSLY AUTHORIZING OR REQUIRING THE PROMULGATION OF**
23 **RULES MAY NOT BE CONSTRUED TO LIMIT THE COMMISSION'S RULEMAKING**
24 **AUTHORITY SOLELY FOR THOSE PURPOSES.**

25 **B. THE PROVISIONS OF THIS COMPACT SHALL BE SEVERABLE AND IF ANY**
26 **PHRASE, CLAUSE, SENTENCE OR PROVISION OF THIS COMPACT IS HELD BY A COURT**
27 **OF COMPETENT JURISDICTION TO BE CONTRARY TO THE CONSTITUTION OF ANY**
28 **MEMBER STATE, A STATE SEEKING PARTICIPATION IN THE COMPACT, OR OF THE**
29 **UNITED STATES, OR THE APPLICABILITY TO ANY GOVERNMENT, AGENCY, PERSON**
30 **OR CIRCUMSTANCE IS HELD TO BE UNCONSTITUTIONAL BY A COURT OF COMPETENT**
31 **JURISDICTION, THE VALIDITY OF THE REMAINDER OF THIS COMPACT AND THE**
32 **APPLICABILITY THEREOF TO ANY OTHER GOVERNMENT, AGENCY, PERSON OR**
33 **CIRCUMSTANCE MAY NOT BE AFFECTED.**

34 **C. NOTWITHSTANDING ARTICLE 14.B., THE COMMISSION MAY DENY A**
35 **STATE'S PARTICIPATION IN THE COMPACT OR, IN ACCORDANCE WITH THE**
36 **REQUIREMENTS OF ARTICLE 12, TERMINATE A MEMBER STATE'S PARTICIPATION**

1 IN THE COMPACT, IF IT DETERMINES THAT A CONSTITUTIONAL REQUIREMENT OF A
2 MEMBER STATE IS A MATERIAL DEPARTURE FROM THE COMPACT. OTHERWISE, IF
3 THIS COMPACT SHALL BE HELD TO BE CONTRARY TO THE CONSTITUTION OF ANY
4 MEMBER STATE, THE COMPACT SHALL REMAIN IN FULL FORCE AND EFFECT AS TO
5 THE REMAINING MEMBER STATES AND IN FULL FORCE AND EFFECT AS TO THE
6 MEMBER STATE AFFECTED AS TO ALL SEVERABLE MATTERS.

7 **ARTICLE 15. CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS.**

8 **A. NOTHING HEREIN SHALL PREVENT OR INHIBIT THE ENFORCEMENT OF**
9 **ANY OTHER LAW OF A MEMBER STATE THAT IS NOT INCONSISTENT WITH THE**
10 **COMPACT.**

11 **B. ANY LAWS, STATUTES, REGULATIONS, OR OTHER LEGAL**
12 **REQUIREMENTS IN A MEMBER STATE IN CONFLICT WITH THE COMPACT ARE**
13 **SUPERSEDED TO THE EXTENT OF THE CONFLICT.**

14 **C. ALL PERMISSIBLE AGREEMENTS BETWEEN THE COMMISSION AND THE**
15 **MEMBER STATES ARE BINDING IN ACCORDANCE WITH THEIR TERMS.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is contingent on the
17 enacting of substantially similar legislation in six other states. The Maryland Department
18 of Labor shall notify the Department of Legislative Services within 10 days after any state
19 has enacted legislation that is substantially similar to this Act.

20 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this
21 Act, this Act shall take effect October 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.