

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 504 (Senator Trotter)  
Economic and Environmental Affairs

---

**State Board of Cosmetology - License to Practice Hair Braiding**

---

This bill establishes a regulatory structure for hair braiding salons and the practice of hair braiding. The bill provides that a beauty salon may operate as a limited practice beauty salon by offering services limited to hair braiding and establishes four categories of hair braiders: (1) senior hair braider; (2) licensed hair braider; (3) limited license hair braider; and (4) apprentice. Applicants must be examined and licensed by the State Board of Cosmetology. The bill alters the composition of the State Board of Cosmetology by providing that one member must be a licensed hair braider and removing the requirement that two members of the board must be consumers. In addition, the bill provides that the executive director of the board may be a senior hair braider.

---

**Fiscal Summary**

**State Effect:** General fund revenues would increase by about \$44,500 in FY 1997. Future year revenues reflect the biennial nature of the licensing requirements. General fund expenditures would increase by about \$66,000 in FY 1997. Future year expenditures are adjusted to eliminate one-time start-up costs and include a full salary with adjustments for turnover and inflation.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$44,500	\$2,800	\$31,400	\$3,600	\$32,200
GF Expenditures	66,000	29,100	30,100	31,200	32,300
Net Effect	(\$21,500)	(\$26,300)	\$1,300	(\$27,600)	(\$100)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

---

## Fiscal Analysis

**State Revenues:** In fiscal 1997 approximately 100 salons will license as hair braiding salons and 650 practitioners will license as senior hair braiders, licensed hair braiders, limited hair braiders, or apprentices. It is anticipated that these licensees will pay a fee ranging from \$10 to \$50. It is estimated that the State will collect about \$29,500 in licensing fees in fiscal 1997. Future year revenues are calculated assuming 3% turnover and 3.5% growth.

In addition, an applicant for a permit to open a salon must pay a pre-opening inspection fee of \$150. It is estimated that the State will inspect about 100 hair braiding salons in fiscal 1997 and collect \$15,000. Thereafter, about 10 new salons will open annually and the State will collect about \$1,500 in inspection fees.

**State Expenditures:** The Department of Labor, Licensing, and Regulation will need to hire an additional office clerk to handle this licensing activity and an inspector for 60 days in fiscal 1997. In addition, the department will need to hire contractual services at a cost of about \$40,000 to develop examinations and establish computer systems. The fiscal 1997 cost will be about \$66,000 which includes salaries of \$11,888, fringe benefits, ongoing operating costs, one-time start-up costs, and \$40,000 in contractual expenses, and reflects the October 1, 1996 effective date. Future year expenditures include (1) a full salary with 3.5% annual increases and 3% employee turnover; (2) 2% annual increase in ongoing operating expense; and (3) elimination of the one-time start-up costs and contractual expenses.

---

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Fiscal Services

**Fiscal Note History:** First Reader - February 27, 1996

ncs

---

Analysis by: Tina Bjarekull  
Reviewed by: John Rixey  
(410) 841-3710  
(301) 858-3710

Direct Inquiries to:  
John Rixey, Coordinating Analyst