

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE
Revised

House Bill 731 (Delegate Mandel, *et al.*)

Economic Matters

Economic and Environmental Affairs

Cosmetologists - Temporary License

This bill creates a temporary license for individuals who qualify for a cosmetologist's license except for taking and passing the cosmetology examination. The license allows the individual to practice cosmetology under the supervision of a licensed senior cosmetologist. The temporary license expires on the earlier of 120 days after its issuance; the failure of the holder to take a scheduled examination; the holder failed the examination; or issuance of a regular cosmetologist license. The license fee is \$10.

The bill sunsets September 30, 2003.

Fiscal Summary

State Effect: General fund expenditures could increase by \$24,500 in FY 2002 for the cost of processing temporary license applications. Future year revenues and expenditures reflect annualization, salary increases, inflation, and the bill's sunset date.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	24,500	20,000	5,100	0	0
Net Effect	(\$24,500)	(\$20,000)	(\$5,100)	\$0	\$0

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: There is no temporary license for cosmetologists. In order to be eligible for a cosmetologist license, an applicant must be at least 17 years of age and have completed ninth grade or the G.E.D. An applicant must submit proof of completion of 1,500 hours of training in a cosmetology school or 24 months as a registered apprentice in a licensed beauty salon.

Background: The Department of Labor, Licensing, and Regulation issues a number of cosmetologist's licenses. They include: (1) senior cosmetologist; (2) cosmetologist; and (3) cosmetologist apprentice. Both the senior and cosmetologist licenses cost \$25 biennially. The apprentice license costs \$10. The term "apprentice" applies to a person who is learning the trade under the direction and supervision of a senior cosmetologist. A cosmetology apprentice must engage in full-time employment, minimum 30 hours per week for a period of 24 months, to be eligible to take the State Board of Cosmetologists Licensing Examination.

An apprentice may assist a senior cosmetologist in starting or completing an operation, whereupon the usual fees may be charged. Charges may not be made for operations performed completely by an apprentice; however, this does not permit an apprentice to perform completely any operation without complete and constant supervision of the designated senior cosmetologist.

State Revenues: Assuming that each temporary license applicant receives a permanent license, there would be no net effect on general fund revenues because the temporary license fee of \$10 must be credited toward the existing initial cosmetologist license of \$25.

State Expenditures: General fund expenditures could increase by an estimated \$24,471 in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. This estimate reflects the cost of one-half a position for a contractual office secretary to process applications for temporary licenses. It includes a salary, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$8,805
Printing and Programming for New License	7,500
Other Operating Expenses	<u>8,166</u>
Total FY 2002 State Expenditures	\$24,471

Future year expenditures reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% annual increase each year thereafter, with 3% employee turnover; and (2) 1%

annual increases in ongoing operating expenses. Fiscal 2004 expenditures reflect only three months of operations due to the bill's September 30, 2003 sunset date.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader – February 19, 2001
jm/jr Revised – House Third Reader – March 26, 2001

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