

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 830

(Senator Conway)

Education, Health, and Environmental Affairs

Economic Matters

State Board of Cosmetologists - Limited License - Hair Services - Blow Drying

This bill establishes a limited license to provide “hair services – blow drying” and generally integrates the limited license into the existing regulatory framework for other licenses issued by the State Board of Cosmetologists.

Fiscal Summary

State Effect: General fund expenditures for the Department of Labor, Licensing, and Regulation (DLLR) increase by \$18,000 for programming and exam development expenses in FY 2017. General fund revenues increase minimally beginning in FY 2018 from license fees. General fund revenues may be mitigated to some extent if individuals favor the limited blow drying license over other licenses. The Maryland Higher Education Commission (MHEC) can handle the bill’s requirements with existing budgeted resources.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GF Revenue	\$0	\$1,300	\$1,300	\$2,500	\$2,500
GF Expenditure	\$18,000	\$0	\$0	\$0	\$0
Net Effect	(\$18,000)	\$1,300	\$1,300	\$2,500	\$2,500

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

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Provide hair services – blow drying” means to provide to an individual for compensation the service of beautifying, cleaning, or arranging the hair of the

individual by (1) arranging, cleansing, curling, dressing, blow drying, or singeing the hair or (2) performing any other similar procedure intended to beautify, clean, or arrange the hair. Except for blow drying, these are a subset of “hair services,” which are defined in current law and for which the board issues a limited license.

A limited license to provide “hair services – blow drying” is established that authorizes a licensee to provide only those services, while the license is in effect. The limited license is generally integrated into the regulatory structure of existing limited licenses, including minimum qualifications, application procedures, and scope of practice.

An applicant for a limited license to provide blow drying hair services must (1) be at least 17 years old; (2) have completed successfully a ninth grade education or the equivalent; (3) have received training by successfully completing at least 350 hours of instruction in providing hair services – blow drying in an approved cosmetology school; (4) pass an examination given by the board; and (5) pay a fee established by the board.

Current Law: The practice of cosmetology includes:

- providing hair services, which means arranging, bleaching, cleansing, coloring, curling, cutting, dressing, singeing, permanent waving, waving, or other procedures intended to beautify, clean, or embellish hair;
- arching or dyeing eyebrows;
- dyeing eyelashes;
- providing esthetic services, which means cleansing, exercising, massaging, or stimulating skin with electrical, mechanical, or other means; applying to the face an alcohol, cream, lotion, astringent, or cosmetic preparation; and removing superfluous hair by use of a depilatory, tweezers, or wax; or
- nail technician services, including manicures, pedicures, and application or maintenance of artificial nail enhancement products.

The board does not regulate certain services such as shampooing or braiding of hair. Licensed cosmetologists can provide all of the services listed above, while hairstylists, estheticians, and nail technicians practice under a limited license that restricts the scope of services to hair, esthetic, and nail services, respectively.

An individual who wants to become a licensed cosmetologist, hairstylist, esthetician, or nail technician has two options for learning the trade – enrolling in an approved cosmetology school or training as a registered apprentice in a salon under a senior cosmetologist, an esthetician with two years of experience, or a nail technician with two years of experience, depending on the license that the individual seeks. An apprentice must

train at least 20 hours per week and receives credit for hours served if the supervisor submits a monthly report to the board.

The board is required to adopt regulations that establish detailed curriculum standards for use by the State Board of Education or MHEC in approving applications for instruction in the practice of cosmetology, the provision of hair services, the provision of esthetic services, and the provision of nail technician services at public schools or private career schools.

The qualifications required for a license vary according to profession:

- *cosmetologist*: 2 years as a registered apprentice or at least 1,500 hours of instruction;
- *senior cosmetologist*: 2 years as a licensed cosmetologist and passage of a written exam;
- *hairstylist (limited license)*: 15 months as a registered apprentice or at least 1,200 hours of instruction;
- *nail technician (limited license)*: 3 months as a registered apprentice or at least 250 hours of instruction; and
- *esthetician (limited license)*: 6 months as a registered apprentice or at least 600 hours of instruction.

The fee for licensure as a cosmetologist, esthetician, or nail technician is \$25, and the examination fee for all three categories is \$100. The apprentice registration fee is \$10.

Private Career Schools

An institution of postsecondary education (including a private career school) may not commence or continue to operate, do business, or function without a certificate of approval from MHEC. MHEC may require any institution of postsecondary education that is required to obtain a certificate of approval to furnish a performance bond or other form of financial guarantee in the form and amount determined by the Secretary of Higher Education.

Background: The State Board of Cosmetologists was created by Chapter 282 of 1935. Its functions include (1) establishing qualifications for and providing approval of apprenticeships, licenses, and permits for services under the board's authority; (2) regulating the examination process; (3) disciplining licensees who have violated laws or regulations; (4) establishing fees to recover the cost of the board's services; and (5) regulating sanitary conditions in schools and salons.

Chapter 412 of 2013 established a limited license issued by the board to provide hair services under specified conditions. “Provide hair services” means to provide to an individual for compensation the service of beautifying, cleaning, or embellishing the hair of an individual by arranging, coloring, or dressing the hair, among other services.

State Fiscal Effect: DLLR must develop an examination for the new hair services – blow drying license and make a minor programming change to its licensing system. Therefore, general fund expenditures increase by approximately \$18,000 in fiscal 2017.

Assuming a start-up delay due to exam development and other requirements associated with implementing a new license category, general fund revenues increase beginning in fiscal 2018 from license fees for the new license category. Testing fees are paid directly to a testing service. Licensing fees are anticipated to be \$25 for both new and renewal licenses, which is the same fee for other limited licenses, and licenses are expected to be issued every two years. DLLR estimates that revenues from these licenses will be minimal – approximately \$1,250 annually in fiscal 2018 and 2019, increasing to \$2,500 annually in fiscal 2020 and 2021. This equates to 50 new licensees each year, with license renewals beginning in fiscal 2020 and 2021. General fund revenues may be mitigated to some extent if individuals forgo licensure as a cosmetologist, hairstylist, esthetician, or nail technician in favor of the blow drying license.

Small Business Effect: Small businesses that provide limited blow drying services benefit from a lower barrier of entry into the profession for their employees due to the limited license established under the bill. Currently, employees must be licensed as either a hairstylist or cosmetologist to provide these services.

Additional Information

Prior Introductions: None.

Cross File: HB 1291 (Delegate Kelly) - Economic Matters.

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

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