

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 264

(Chair, Education, Energy, and the Environment
Committee)(By Request - Departmental - Labor)

Education, Energy, and the Environment

Economic Matters

State Board of Cosmetologists - Sunset Extension and Report

This departmental bill extends the termination date for the State Board of Cosmetologists within the Maryland Department of Labor (MDL) by three years to July 1, 2027, subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act (MPEA). It also requires MDL to submit a report to the Joint Audit and Evaluation Committee (JAEC) by July 1, 2025, with information – regarding the State Board of Cosmetologists – to be determined by JAEC. **The bill takes effect June 1, 2024.**

Fiscal Summary

State Effect: Special fund revenues and expenditures for the board are maintained through FY 2027. MDL can likely prepare the required report with existing resources.

Local Effect: None.

Small Business Effect: MDL has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law/Background: The State Board of Cosmetologists issues two full-service licenses (cosmetologist and senior cosmetologist) and four limited licenses (hairstylist, blow-drying, nail technician, and esthetician). A cosmetologist or senior cosmetologist license authorizes the licensee to provide hair, nail, and esthetic services. The other licenses authorize the licensee to provide just that service. The board also registers apprentices and

conducts health and safety inspections of salons. Applicants for licensure must pass a written and a practical examination and have successfully completed either a registered apprenticeship program or 1,500 hours of training at an approved cosmetology school.

Effective July 1, 2018, Chapter 256 of 2017 established the State Barbers and Cosmetologists Boards' Fund and redirected licensing revenue associated with both boards from the general fund to the new special fund. The Act also repealed statutory fees and instead authorized the boards to set fees by regulation.

Maryland Program Evaluation Act

The board is 1 of approximately 60 regulatory entities and activities subject to termination unless reauthorized periodically through statute. Under MPEA, these entities may also be subject to an evaluation by the Office of Program Evaluation and Government Accountability (OPEGA) within DLS prior to their termination. However, OPEGA may conduct an evaluation only if directed by specified entities or by legislation. The board is scheduled to terminate July 1, 2024; OPEGA was not asked to conduct an evaluation prior to its termination. Accordingly, the board has requested reauthorizing legislation.

Additional Comments: Absent reauthorization of the board during the 2024 legislative session, regulation of the practice of cosmetology in Maryland ceases July 1, 2024.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2024
rh/ljm Third Reader - March 26, 2024
Revised - Amendment(s) - March 26, 2024

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Board of Cosmetologists - Sunset Extension

BILL NUMBER: SB 264

PREPARED BY: Nicole Fletcher

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 x WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

OR

 WILL HAVE A MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES