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October 8, 1976

Judy A. Vickery, Executive Secretary

State Board of Cosmetology

Donald G. Alexander, Deputy

Attorney General

JL 11/11/ 4 1601

License for Partnership

This responds to your letter of September 14, 1976. In that letter you pose the question as to whether, where a beauty shop license is issued for a partnership and the partnership is subsequently dissolved and either a new partner is acquired or just one person becomes the sole owner, such a change is a sufficient change of ownership to require issuance of a new beauty shop license.

This requires an interpretation of 32 M.R.S.A. §1651 relating to beauty shop registration.

It is the view of this office that, in the situation you have described, a new license would be required. 32 M.R.S.A. §1651 requires issuance of a new license on change of location or ownership. Where a partnership is the owner of a shop, it is a specific entity. When that specific partnership is "dissolved" and its affairs are wound up", as indicated in your question, that terminates the existence of that legal entity. Any subsequent legal entity, be it a new partnership or a sole proprietorship is a new owner, thus, resulting in a change of ownership. Under such circumstances a new license would be required.

However, it must be emphasized that not all changes in a membership of a partnership dissolve and terminate that partnership and create a new one. Often, in a partnership involving several persons, people may be added or subtracted without a real change in the legal entity. Accordingly, where it is not clear that a partnership is "dissolved and its affairs are wound up", an examination of the facts of each case would be necessary to determine whether the adding or subtracting of one partner, in a partnership involving several persons, is sufficient to create a change of ownership such as would require issuance of a new beauty shop license.

DONALD G. ALEXANDER
Deputy Attorney General