

MAINE STATE LEGISLATURE

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L.D. 1946

DATE: *March 6, 1998*

(Filing No. S- 491)

BUSINESS AND ECONOMIC DEVELOPMENT

Reported by:

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 701, L.D. 1946, Bill, "An Act to Simplify the Process of Transferring Ownership of a Business Licensed by the Board of Barbering and Cosmetology under the Terms of a Divorce Settlement"

Amend the bill by striking out the title and substituting the following:

'An Act to Simplify the Process of Transferring Ownership of a Business Licensed by the Board of Barbering and Cosmetology in Cases of Death or Divorce'

Further amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, changes to the law regarding the relicensure of barber and cosmetology shops is immediately needed to ensure the prompt and financially equitable change of ownership of such shops in the event of death or divorce of one of the owners; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Further amend the bill by striking out all of section 1 and inserting in its place the following:

A. of 3.

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2 'Sec. 1. 32 MRSA §14224, sub-§2, as enacted by PL 1991, c.
397, §6, is repealed and the following enacted in its place:

4
6 2. Operation of shop; license required. A person, firm or
corporation may not provide services in, operate or cause to be
operated a shop where cosmetology, barbering, manicuring or
aesthetics is practiced unless that shop has been duly licensed
by the board. A license issued pursuant to this subsection
authorizes the operation of the establishment only at the
location for which the license is issued. Operation of the
establishment at any other location is unlawful unless a license
for the new location has been obtained in compliance with this
chapter and applicable board rules.

16 Booths attached to or within a licensed shop that are operated
independently are subject to licensure, fees and applicable rules
in the same manner as independent shops. The board may establish
rules for the operation of booths.

20 Shop licenses are issued on July 1st and must be renewed
biennially unless otherwise provided by the commissioner. The
fee is payable to the board.

24 Sec. 2. 32 MRSA §14224, sub-§§2-B to 2-D are enacted to read:

26 2-B. Change of ownership; change of location. The owner of
28 a new shop is required to apply to the board for licensure of
that shop. The owner of a licensed shop that undergoes a change
30 in location is required to reapply to the board for licensure.
The owner or owners of a licensed shop that undergoes a change in
32 ownership shall notify the board within 7 days of the change. If
a shop has more than one owner and the change in ownership
34 results from the death or divorce of one of the owners, the
notice must be provided to the board as set forth in subsection
36 2-C. Whenever there is a change of ownership, the shop license
is valid for 30 days from the transaction date to allow the new
38 owner to comply with this section.

40 2-C. Ownership changes resulting from death or divorce of an
owner. If a licensed shop has more than one owner and ownership
42 changes as a result of the death or divorce of one of the owners,
the board shall reissue the license for the remaining license
44 period as long as a remaining owner is named on the existing
license and the board is notified within 30 days of the divorce
46 decree or the date of death. A shop license is valid for 60 days
following the death of the person in whose name the shop is
48 licensed.

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2 2-D. Special inspections. A shop that requires a special
3 inspection, such as a new shop or a shop that changes location or
4 ownership, may be assessed a separate inspection fee.'

6 Further amend the bill by inserting after section 3 the
7 following:

8 'Emergency clause. In view of the emergency cited in the
9 preamble, this Act takes effect when approved.'

10 Further amend the bill by relettering or renumbering any
11 nonconsecutive Part letter or section number to read
12 consecutively.

13 Further amend the bill by inserting at the end before the
14 summary the following:

18 **FISCAL NOTE**

20 The Board of Barbering and Cosmetology within the Department
21 of Professional and Financial Regulation will incur some minor
22 additional costs to revise certain rules pertaining to business
23 ownership. These costs can be absorbed within the board's
24 existing budgeted resources.

25 The authorization of a certain licensing reissuance fee may
26 result in insignificant increases of dedicated revenue to the
27 Board of Barbering and Cosmetology.'

30 **SUMMARY**

32 This amendment changes the original bill by limiting the
33 ability of the Board of Barbering and Cosmetology to reissue a
34 license for a shop to situations when the ownership of a licensed
35 shop changes as a result of death or divorce and at least one of
36 the owners retains ownership of the shop. It also adds an
37 emergency preamble, emergency clause and a fiscal note to the
38 bill.
39
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