SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Labor and Employment**

8–206.

(a) Work is not covered employment when performed by a licensed barber or licensed cosmetologist who leases a chair or booth from a holder of a barbershop permit, a beauty salon permit, or an owner–manager permit who operates a barbershop or beauty salon, if the Secretary is satisfied that:

(1) the barber or cosmetologist as lessee and the permit holder have entered into a written lease that is in effect;

(2) the lessee pays a stipulated amount for use of the chair or booth and is not required to make any further accounting of income to the permit holder;

(3) the lessee has access to the premises at all hours and may set personal work hours and prices; and

(4) the lease expressly states that the lessee knows:

(i) of the responsibility to pay State and federal income taxes and make contributions to Social Security for self–employment; and

(ii) that the work is not covered employment.

(b) Work that a direct seller performs is not covered employment if the Secretary is satisfied that:

(1) the direct seller is engaged in the trade or business of selling consumer products:

(i) in the home or at any other location outside of a permanent retail establishment; or

(ii) to a buyer on a buy–sell basis, a deposit–commission basis, or any similar basis for resale by the buyer or any other person in the home or at any other location outside of a permanent retail establishment;

(2) the direct seller and the person for whom the work is performed have entered into a written agreement that is currently in effect;

(3) substantially all of the compensation for the employment is related directly to sales or other output, including the performance of a service, rather than to the number of hours worked; and

(4) the written agreement states that the direct seller will not be treated as an employee for the purpose of State and federal income taxes with respect to the employment performed under the agreement.

(c) Work that an individual performs is not covered employment if the Secretary is satisfied that the individual: