

**CHAPTER 202**

**(Senate Bill 801)**

AN ACT concerning

**Unemployment Insurance - Exemption From Covered Employment - Newspaper Distribution**

FOR the purpose of establishing that certain work performed under certain circumstances by direct sellers engaged in the trade or business of delivering or distributing newspapers or shopping news is not covered employment for purposes of unemployment insurance; providing for the application of this Act; allowing certain wages that are paid for work that an individual engaged in the trade or business of delivering or distributing newspapers or shopping news performed through a certain date to be used in determining monetary eligibility for unemployment insurance benefits; and generally relating to direct sellers under the unemployment insurance law.

BY repealing and reenacting, with amendments,

Article - Labor and Employment

Section 8-206

Annotated Code of Maryland

(1991 Volume and 1996 Supplement)

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.