



Barbershop or Salon Starter Guide

This guide tells you which forms you need to fill out, offices to visit, and decisions to make when starting barbershop or salon in Minneapolis.

For additional support, call 612-673-2499 or email smallbusiness@minneapolismn.gov



Create a Plan

- Are you ready to be an entrepreneur?** Planning, launching, and running a business is a lot of work. Ask yourself these 20 questions before starting the process. <https://goo.gl/4CmNrk>
- Connect with a small business consultant** at a service provider through the Minneapolis Business Technical Assistance Program (B-TAP) to access business training, support, and advice for opening your business. <http://www.minneapolismn.gov/business/B-TAP>



Building a relationship with a small business consultant can be a crucial step in your journey as an entrepreneur.

- Write a business plan** to map out your steps and ensure your business will start and run successfully. <http://www.bplans.com>



Using calculations from your business plan, determine how much capital you will need to start your business.

- Secure financing for your business** by connecting with a lender from a community bank, credit union, or Community Development Financial Institution.

- Determine if you qualify for any of the City's financing resources** offered through Community Planning and Economic Development (CPED). <https://goo.gl/e5yVLT>



In addition to any personal savings you're using, ask family and friends to invest in your business. Lenders will want to see that you have some initial capital invested in your business before underwriting a loan.



Choose a Location

- Visit the Minneapolis Development Review Customer Service Center** at 250 South 4th Street, Room 300. You will meet a Development Coordinator (DC) who will provide ongoing guidance on all City building and health regulatory requirements.
- Find a location** zoned for your business. Get your location approved by zoning before signing your lease. <https://goo.gl/ar3Hr4>



If any building changes are required to bring your space up to code, you may need to hire an architect and general contractor.



Your general contractor will pull construction permits, oversee work, and schedule inspections with the City.

- Request Sewer Availability Charge (SAC) determination letter.** You may be required to pay a fee for the waste water your business will generate. This fee can be high, so get an estimate early to plan for the cost. <https://goo.gl/UjXjx8>.

- Check if you qualify** for the City's SAC deferral program for small businesses. <https://goo.gl/8ZvxxJ>



Your SAC determination letter is needed to get a signed zoning addendum from the City, which is a requirement for your State license application.

- Review American with Disability Act (ADA) guidelines** to make sure the location you've chosen is accessible and meets all ADA requirements. <https://goo.gl/xMLWFw>

- Sign your lease.** Before you sign, review your lease with a lawyer.



Register Your Business

- Verify the name you would like for your business is available.** You can use the Secretary of State Online Business Services page to check name availability. <https://goo.gl/3ttDys>
- Choose a business structure.** Decide what type of business structure is right for your business. <https://goo.gl/hmwa6K>
- Register your business with the MN Secretary of State.** LLCs, Corporations, Nonprofits, and Limited Partnerships must register with State of Minnesota. <https://goo.gl/C7rJW5>
- File a Certificate of Assume Name** if you will be using a name other than your given name, the names of your partners, or the officially registered name of your LLC or corporation. <https://goo.gl/6b8Mpe>
- Apply for a MN Tax ID and a Federal Employer ID Number.** Both are used to identify your business. If you are a sole proprietor, you may be able to use your Social Security Number instead. <https://goo.gl/aHRucU>



Before you begin withholding state taxes, you must register for a Minnesota tax ID number. If you fail to register prior to withholding Minnesota taxes, you may be subject to a \$100 penalty.

- Research the insurance you will need,** such as workers' compensation, liability, and disability insurance. If you will have employees, your workers compensation insurance policy number is required to complete your business license application. <http://www.dli.mn.gov/WC/Employer.asp>



If you register your business before choosing a final location, you will have to update your registration with the new address.

To speak with a Development Review Coordinator or Business Licensing Representative, visit the Minneapolis Development Review Customer Service Center

Free Parking is available.

http://www.ci.minneapolis.mn.us/mdr/mdr_location-and-parking

Public Service Center Building, Room 300
250 S. 4th Street
Minneapolis, MN 55415

Mon - Wed, Friday | 8:00 AM - 3:00 PM

Thursday | 9:00 AM - 3:00 PM



Get Your License

- Understand the requirements.** Barbershops, hair and nail salons all have different requirements and are licensed by the State of Minnesota. Learn more about requirements for a Salon at <https://goo.gl/vCKWtq> and requirements for a Barbershop at <https://goo.gl/tRwPNg>



A Cosmetologist Salon License is required for hair services. For skin and/or nail services, a Esthetician Salon License and a Nail Technician Salon License is required.

- Review the State license application** for opening a salon <https://mn.gov/boards/cosmetology> or a barbershop <https://goo.gl/1zsiEO> in Minnesota.



While you don't need a City business license for a barbershop or salon, you will need signed zoning addendum from the City for your State license application.

- Make a plan to have licensed staff on site.** A Salon requires a Designated Licensed Salon Manager (DLSM) on site at all times, even when not present at the salon. A Barbershop must have a registered Master Barber in the shop during hours of operation. Learn how to become a Salon Manager here: <https://goo.gl/tCHgpP> or a Master Barber here: <https://goo.gl/ioUNvN>

- Gather and submit documents and license application to the State of Minnesota,** including your current professional liability insurance, worker's compensation insurance, active articles of organization or corporation, and a diagram of salon or barbershop floor plan.



A Certificate of Occupancy is required before you can open to the public. You must schedule a final inspection by calling 612-673-2327.



What if...

- If you plan to hire employees,** be sure to follow all wage and employment guidelines. Most of these are set by the State: <http://www.dli.mn.gov/LaborLaw.asp>. There are some Minneapolis-specific labor ordinances, like Sick and Safe Time: <http://sicktimeinfo.weebly.com> and Minimum Wage: <https://goo.gl/q7NQDm>

- If you plan on providing nail and skin care services,** but not hair care services, the salon will need a Nail Technician Salon License and an Esthetician Salon License.

- If you want to put up a sign or awning** on the outside of your building, ensure you comply with size and location requirements. Sign Permits are only issued to Sign Contractors licensed by the City. <https://goo.gl/1fCdJR>



If you don't own your building, make sure you work with your landlord if you'd like to put up a new sign or awning.

- Green your business!** The City of Minneapolis offers Cost Sharing awards up to \$100,000 for businesses willing to invest in cleaner, greener, or more efficient technologies. <https://goo.gl/5ZftVd>



You can always call 311 with any questions, and they will connect you to the right person at the City.

- If you make any changes to your business,** such as adding a piece of equipment or additional seating, meet with your Development Coordinator as you may need to update your SAC determination or obtain a building permit.



After Opening

- Post all required posters and permits** including your business license and required state labor law posters. <http://www.dli.mn.gov/ls/posters.asp>
- Mark your calendar.** Set reminders to renew your permits and licenses as needed. Failure to renew a license by the license expiration date will result in license expiration, late renewal penalties, and an ineligibility to offer services.



Salon licenses expire on the last day of the license anniversary month in the third year.



Barbershop licenses expire each year on June 30th regardless of the date it was issued.

- Be prepared for inspections.** Inspections happen at random, if you do have an inspection, the salon must post the results and make the detailed report available at the reception desk within 10 days of the issuance date.

- Pay Pollution Control Annual Billing.** You are required to pay an annual fee for any equipment that has an impact on the environment. <https://goo.gl/2FbCao>

- Prepare and pay your local, state, and federal taxes.** Learn more about the taxes you have to pay. <https://mn.gov/deed/business/starting-business/taxes>

- Expand your business.** The City offers financing that can be used to help you cover costs of expansion, such as equipment. If you plan to expand, make sure to connect with your Development Coordinator who can guide you through any regulatory steps.