

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 80 (Delegates Arnick and Minnick)  
Environmental Matters

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**Licensing and Regulation of Tattoo Artists and Tattoo Artist Instructors**

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This bill establishes a five-member State Board of Tattoo Artists within the Department of Health and Mental Hygiene to regulate and license tattoo artists and tattoo artist instructors. The board is authorized to set license, renewal and other fees and provide that the fees accrue to a State Board of Tattoo Artists Fund. The board may suspend the license of a tattoo artist or tattoo artist instructor for engaging in fraudulent, unprofessional, or criminal acts, or impose a maximum fine of \$5,000, or both.

In addition, the bill prohibits: (1) the tattooing of a minor unless a parent or a guardian consents to the tattoo; and (2) the practice of tattooing or teaching a tattoo artist education program without a license. Violators of these provisions are guilty of a misdemeanor and subject to a maximum fine of \$1,000, or imprisonment for a maximum of six months, or both.

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**Fiscal Summary**

**State Effect:** Special fund expenditures would increase by \$89,900 in FY 1998. Future year expenditures reflect annualization and inflation. Special fund revenues could increase by \$300,000 in FY 1998. Future year revenues reflect a decline in new applications and a biennial renewal period. Indeterminate minimal increase in general fund revenues and expenditures due to the bill's penalty provisions.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
SF Revenues	\$300,000	\$6,000	\$210,000	\$6,000	\$218,000
SF Expenditures	\$89,900	\$103,300	\$106,300	\$104,400	\$112,600
Net Effect	\$210,000	(\$97,300)	\$103,700	(\$103,400)	\$105,400

*Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds*

**Local Effect:** Indeterminate minimal increase in revenues and expenditures due to the bill's penalty provisions.

**Small Business Effect:** Potential meaningful impact on small businesses as discussed below.

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## **Fiscal Analysis**

**Bill Summary:** Major provisions of the bill include:

The board comprises five members: three licensed tattoo artists, one licensed tattoo artist instructor, and one consumer member. The members are entitled to compensation in accordance with the budget of the board and reimbursement for expenses at a rate determined by the board.

The fees collected should approximate the cost of maintaining the board and must be distributed to the State Board of Tattoo Artists Fund. No other State money may be used to support the fund.

The bill authorizes the board to approve, survey and evaluate tattoo artist education programs. In addition, the board may maintain a list of all licensed tattoo artists, tattoo artist instructors, and institutions offering approved tattoo artist education programs.

Upon receipt of a written and signed complaint, including one from the Commissioner of Labor and Industry, the board may conduct unannounced inspections to determine compliance using the Center for Disease Control's guidelines on universal precautions.

**State Revenues:** The bill specifies that revenues should approximate the cost of maintaining the board. It is assumed that there would be approximately 500 new applicants in the first year of licensure; subsequently, new applications are expected to fall to approximately ten each year. It is anticipated that fees for new applicants would be \$600 (includes a \$500 initial license fee and a \$100 examination fee), and biennial renewal fees would be \$400.

Special fund revenues in fiscal 1998 are estimated to be \$300,000 (500 new applicants x \$600). Subsequent year revenues reflect biennial renewals and assumes ten new applications each year.

General fund revenues could increase under the bill's monetary penalty provisions for those cases heard in the District Court, depending upon the number of convictions and fines imposed. The Office of Administrative Hearings estimates that fewer than 33 hearings a year would be referred to them and any increase in workload could be absorbed within existing resources.

**State Expenditures:** State special fund expenditures would increase by an estimated \$89,920 in fiscal 1998 which reflects the bill's October 1, 1997 effective date. This estimate includes the cost of hiring three half-time employees (Administrator III, Office Secretary I, and Investigator III) to assist in processing license applications and to investigate complaints. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses and indirect costs.

Salaries and Fringe Benefits	\$41,510
Indirect Costs	\$15,000
Operating Expenses	<u>\$33,410</u>

<b>Total FY 1998 State Expenditures</b>	<b>\$89,920</b>
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Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

General fund expenditures could increase as a result of the bill's incarceration penalty due to increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed. Any increase, however, is expected to be minimal.

**Local Revenues:** Revenues could increase under the bill's monetary penalty provisions for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed. Any increase, however, is expected to be minimal.

**Local Expenditures:** Expenditures could increase as a result of the bill's incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Any increase, however, is expected to be minimal.

**Small Business Effect:** There would be an indeterminate cost to each small business tattoo establishment as a result of the bill, arising from: (1) the license fee and renewal fee at \$600 and \$400 respectively; (2) the associated costs of complying with the licensure requirements; and (3) any penalties (both monetary and non-monetary) for violation of certain provisions. This bill may also potentially impact the business of tattooing significantly. Currently, the practice of tattooing occurs at either a commercial establishment (such as a tattoo store) or at a place, such as in someone's house. This bill may significantly alter the level of business activity in each segment of the market.

There are an indeterminate but significant number of individuals who practice tattooing in

their homes or at county fairs. Some of these tattoo artists may discontinue their practice because they either would not or could not comply with the requirements for licensure set by the board. However, some tattoo artists currently operating in non-commercial establishments may elect to set up commercial establishments as a result of this bill. In that event, the number of small business tattoo shops in Maryland will increase.

There are also approximately 30-40 store-front tattoo establishments in the State, and all could be considered small businesses. The practice of tattooing in most store-front tattoo shops currently conforms to standard infection control measures outlined by the Center for Disease Control. Business for these tattoo stores will increase if, as a result of this bill, there is less business activity among tattoo artists practicing in their homes and other non-commercial establishments.

This bill may also prompt the development of more tattoo artists education programs in the State. These programs may be offered through a tattoo store, an education institution, or new business may be generated as a result of the bill.

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**Information Source(s):** Department of Health and Mental Hygiene (Boards and Commissions), Department of Fiscal Services

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