

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 386 (Delegate Minnick, *et al.*)
Environmental Matters

Licensing and Regulation of Tattoo Artists and Body Piercing Artists

This bill establishes a five-member State Board of Tattoo Artists and Body Piercing Artists within the Department of Health and Mental Hygiene to regulate and license tattoo artists and body piercing artists. The board is authorized to set license, renewal, and other fees that will accrue to a State Board of Tattoo Artists and Body Piercing Artists Fund. The board may suspend or revoke the license of a tattoo or body piercing artist 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.

An individual is not required to be licensed in order to practice tattooing or to practice body piercing until January 1, 1998. The bill will take effect July 1, 1997.

Fiscal Summary

State Effect: Special fund expenditures would increase by \$142,600 in FY 1998. Future year expenditures reflect annualization and inflation. Special fund revenues could increase by \$330,000 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	\$330,000	\$6,000	\$454,000	\$6,000	\$470,000
SF Expenditures	\$142,600	\$166,900	\$172,100	\$177,500	\$183,200
Net Effect	\$187,400	(\$160,900)	\$281,900	(\$171,500)	\$286,800

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.

Fiscal Analysis

Bill Summary: Major provisions of the bill include:

The board comprises five members: one licensed tattoo artist, one licensed body piercing artist, one licensed health care professional, and two consumer members. Funds to cover compensation and expenses for board members will be generated by fees.

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

The bill authorizes the board to evaluate and approve tattoo artist and body piercing artist apprenticeship programs. The board may maintain a list of all licensed tattoo artists, body piercing artists, and approved tattoo artist and body piercing artist apprenticeship programs. In addition, the board may conduct unannounced inspections of the place of business of a tattoo artist or body piercing artist to determine compliance with the Centers for Disease Control's Guidelines for Universal Precautions.

The board may suspend or revoke the license of a tattoo or body piercing artist for engaging in fraudulent, unprofessional, or criminal acts, or impose a maximum penalty of \$5,000, or both. Any penalties collected will be paid to the State general fund.

In order to qualify for a license, the tattoo artist and the body piercing artist must comply with the requirements of the bill and the board, and complete an infection control class taught by the department. In addition, a tattoo artist must complete a three-year apprenticeship program while a body piercing artist must complete a six-month apprenticeship program.

Each tattoo artist and body piercing artist must keep records of the name, address, and age of the artist's clients, the date on which a client received the tattoo/body piercing, and the signature of the client. The records must be maintained for at least three years.

The board may waive the apprenticeship requirements for a tattoo artist who is practicing tattooing on July 1, 1997, has been actively practicing for three years immediately preceding July 1, 1997, and passes the examination requirements. The board may waive the

apprenticeship requirements for a body piercing artist who is practicing tattooing on July 1, 1997, has been actively practicing for six months immediately preceding July 1, 1997, and passes the examination requirements.

State Revenues: The bill specifies that revenues should approximate the cost of maintaining the board. It is assumed that there would be approximately 550 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 \$800.

Special fund revenues in fiscal 1998 are estimated to be \$330,000 (550 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 \$142,585 in fiscal 1998 which reflects the bill's October 1, 1997 effective date. This estimate includes the cost of hiring four employees (one half-time Administrator III, one half-time Office Secretary I, and two Investigator IIIs) to assist in processing license applications, to investigate complaints and to conduct inspections of facilities. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and indirect costs.

Salaries and Fringe Benefits	\$84,355
Indirect Costs	\$15,000
Operating Expenses	<u>\$43,230</u>
Total FY 1998 State Expenditures	\$142,585

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.

The board may incur additional expenses to support an infection control class for applicants as a requirement for licensure; however, all expenses for the class will be passed on to the applicant.

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/body piercing establishment as a result of the bill, arising from: (1) the license fee and renewal fee at \$600 and \$800, respectively; (2) the associated costs of complying with the licensure requirements; and (3) any penalties (both monetary and nonmonetary) 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 noncommercial 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 noncommercial establishments.

At this time, there are insufficient data on the level of business conducted by body piercing artists in the State.

This bill may also prompt the development of tattoo artists/body piercing artists apprenticeship programs in the State. These programs may be offered through a tattoo store, a body piercing store, or an educational institution.

Information Source(s): Department of Fiscal Services

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