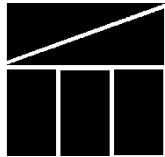


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes¹ Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 41-20 Board for Barbers and Cosmetology Rules and Regulations
Town Hall Action/Stage: 5272 / 8605
June 12, 2019

Summary of the Proposed Amendments to Regulation

The Board for Barbers and Cosmetology (Board) proposes to update disinfectant terminology.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The current regulation requires licensees to use disinfectants identified as tuberculocidal. According to the Department of Professional and Occupational Regulation (DPOR), however, disinfectant manufacturers are moving away from labeling products as “tuberculocidal,” in large part because tuberculosis is an airborne disease not transmitted through surface contact. The Board proposes to replace the requirement for a tuberculocidal and hospital grade disinfectant with the requirement for an “EPA registered disinfectant that is bactericidal, virucidal and fungicidal.” The proposed terminology is consistent with the National Interstate Council of State Boards of Cosmetology Infection Control Best Practices which recommends the use of the terms bactericidal, virucidal, and fungicidal. DPOR indicates that as manufacturers move away from commonly using this term, the supply of “tuberculocidal” products would decrease causing an

¹ Adverse impact is indicated if there is any increase in net cost for any entity, even if the benefits exceed the costs for all entities combined.

increase in their prices, creating an unnecessary burden on licensees. Thus, to the extent a potential future cost on licensees is eliminated, the proposed amendments produce a net benefit.

Businesses and Entities Affected

According to DPOR, as of April 1, 2019, the Board licensed 2,905 barbers, 893 barber shops, 60 barber schools, 8,491 nail technicians, 78 nail salons, 35 nails schools, 42,090 cosmetologists, 5,142 cosmetology salons, 167 cosmetology schools, 3,415 estheticians, 651 esthetics spas, 43 esthetics schools, 1,598 wax technicians, 124 waxing salons, and 14 waxing schools.

Localities Particularly Affected

No locality is expected to be particularly affected.

Projected Impact on Employment

The proposed amendments should not have a significant impact on employment.

Effects on the Use and Value of Private Property

No substantial effect on the use and value of private property is expected.

Real Estate Development Costs

The proposed amendments do not affect real estate development costs.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

All of the regulated barber shops, salons, spas, and schools are considered small businesses. The proposed changes should benefit them as discussed above.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments do not adversely affect businesses.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.