

## **Economic Impact Analysis** Virginia Department of Planning and Budget

### **18 VAC 41-60 – Board for Barbers and Cosmetology Body-Piercing Regulations Department of Professional and Occupational Regulation** August 22, 2005

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

# **Summary of the Proposed Regulation**

Pursuant to Chapter 869 of the 2002 Virginia Acts of Assembly, the Board for Barbers and Cosmetology (board) proposes to promulgate regulations that set out licensure requirements for body-piercing and body-piercing salons.

## **Estimated Economic Impact**

Chapter 869 of the 2002 Virginia Acts of Assembly established that "No person shall offer to engage in ... body-piercing without a valid license issued by the Board, ..." and that "No individual or entity shall operate a ... body-piercing salon without a valid license issued by the Board." Exceptions are made for those that are not selling services as body-piercers.<sup>1</sup> The board proposes these regulations to detail how licensure may be obtained.

<sup>&</sup>lt;sup>1</sup> § 54.1-701 exempts 1) Persons authorized by the laws of the Commonwealth to practice medicine and surgery or osteopathy or chiropractic; 2) Registered nurses licensed to practice in the Commonwealth; 3) Persons employed in state or local penal or correctional institutions, rehabilitation centers, sanatoria, or institutions for care and treatment of the mentally ill or mentally deficient or for care and treatment of geriatric patients, as barbers, cosmetologists,

Licensure of body-piercers and piercing salons can be beneficial to the public in that transmission of disease and occurrences of injury may be reduced due to required instruction concerning disease transmission, safety procedures, competent practice, and physical facility and operations requirements that are designed to minimize such risks. On the other hand, licensure requirements do impose new costs for providers of body-piercing services.

#### **Health Risks**

Body piercing introduces significant health risks. Koenig and Carnes (1999) cite the following complication rates for ear piercing: redness and swelling 30%, drainage 26%, infection 24%, bleeding 11%, cyst formation 4%, large scars 3%, and trauma or tear 2%. Samantha, Tweeten and Rickman (1998) found that patients with genital piercing were at higher risk of contracting a sexually transmitted disease. Body piercing has been associated with local soft tissue infection,<sup>2</sup> perichondritis from high ear piercing,<sup>3</sup> sepsis, and toxic shock syndrome.<sup>4</sup> Also, piercing has been linked to viral hepatitis.<sup>5</sup> Koenig and Carnes (1999) cite studies that note that "The possible complications of oral/facial piercings include ... airway obstruction, chipped or cracked teeth, prolonged bleeding from piercings of high vascularity, cellutis ..., gingival injury, interference with mastication and swallowing, speech impediment, increased salivary flow, and obstruction of radiographs ..."<sup>6</sup>

Bacterial infection can occur from improper initial piercing technique or from poor hygiene.<sup>7</sup> Martel and Anderson (2002) list the needles, piercing gun, lack of baffler precautions such as gloves, and improper skin preparation as some of the sources of infection. Proposed

wax technicians, nail technicians, hair braiders, barber instructors, cosmetology instructors, wax technician instructors who practice only on inmates of or patients in such sanatoria or institutions; 4) Persons licensed as funeral directors or embalmers in the Commonwealth; 5) Gratuitous services as a barber, nail technician, cosmetologist, wax technician, hair braider, tattooer, or body-piercer; 6) Students enrolled in an approved school taking a course in barbering, nail care, cosmetology, waxing, hair braiding, tattooing, or body-piercing; 7) Persons working in a cosmetology salon whose duties are expressly confined to hair braiding or the shampooing and cleansing of human hair under the direct supervision of a cosmetologist or barber; 8) Apprentices serving in a barbershop, nail salon, waxing salon, cosmetology salon, or hair braiding salon licensed by the Board in accordance with the Board's regulations; and 9) Schools of barbering, nail care, waxing, cosmetology, or hair braiding in public schools.

<sup>&</sup>lt;sup>2</sup> Sources: Samantha, Tweeten and Rickman (1998) and Peticolas, Tilliss and Cross-Poline (2000)

<sup>&</sup>lt;sup>3</sup> Source: Staley, Fitzgibbon and Anderson (1997)

<sup>&</sup>lt;sup>4</sup> Source: Koenig and Carnes (1999)

<sup>&</sup>lt;sup>5</sup> Ibid

<sup>&</sup>lt;sup>6</sup> Sources: Perkins, Meisner and Harrison (1997) and Price and Lewis (1997). Peticolas, Tilliss and Cross-Poline (2000) note similar complications.

<sup>&</sup>lt;sup>7</sup> Ibid

requirements for training in piercing technique and hygiene, as well as requirements for salon equipment will likely reduce adverse health outcomes to some degree. No research is currently available to help estimate by what degree risks of adverse health outcomes will be decreased due to the proposed requirements.

#### **Costs for Practitioners and Salons**

The board proposes the following requirements for licensure as a body piercer: 1) completion of a minimum of five hours of health education to include but not limited to blood borne disease, sterilization, and aseptic techniques related to body-piercing, and first aid and CPR, 2) payment of a \$55 fee, 3) completion of an approved body-piercing apprenticeship program (unless grandfathered), 4) payment of a fee up to \$225 examination fee (unless grandfathered), and 5) a passing grade on the board approved examination. The proposed regulations include a grandfather clause whereby persons who have completed five years of documented work experience within the preceding eight years as a body piercer, are not required to go through a board-approved apprenticeship and take the exam. Body piercers licensed in another U.S. jurisdiction who have completed a training or apprenticeship program and an exam that is substantially equivalent can pay the \$55 fee and become licensed in Virginia. The license expires after two years. The body piercer must complete five hours of health education during the two-year term, as well as pay a \$55 fee, for license renewal.

Given demand to meet the required completion of a minimum of five hours of health education to include but not limited to blood borne disease, sterilization, and aseptic techniques related to body-piercing, and first aid and CPR, a provider may in the future design a five-hour course to address all those subjects. Currently, the American Red Cross offers the following: a five-hour course on CPR and proper use of an automated external defibrillator for \$55 and a two-hour course on first aid for \$45. A firm called American Environmental Health and Safety offers: 1) a one-hour course on blood-borne pathogens for \$10 to \$30, 2) a 2.5 to 3.5 hour CPR classes for \$15 to \$40, and 3) a two to three-hour first aid course for \$15 to \$40.<sup>8</sup>

Apprenticeship programs must include at least 1,500 hours of instruction in: 1) microbiology, 2) immunization, 3) sanitation and disinfection, 4) safety, 5) blood borne pathogen standards, 6) professional standards, and 7) practical training. The regulations specify required subcategories for each of the 7 categories listed above. The proposed regulations specify that 350 hours are to be devoted to microbiology, immunization, safety, blood borne pathogen standards, and professional standards, 150 hours are to be devoted to sanitation and disinfection, and that the remaining 1,000 hours are to be devoted to practical training and the following minimum number of performances: a) 20 ear lobe: 20, b) 15 helix-ear, c) 15 concha-ear, d) 15 tragus-ear, e) 20 tongue, f) 15 navel, g) 15 eyebrow, h) 15 lip, i) 15 septum, j) 20 nostril, k) 10 male nipple, l) 10 female nipple, m) 12 Monroe (face cheek), n) 12 Prince Albert (male genitalia), o) 12 frenum (male genitalia), p) 12 clitorial hoods (female genitalia), q) 12 labias (female genitalia). An approved apprenticeship sponsor may award up to 500 hours of credit based on an assessment of the apprentice's competence in theory and practical requirements. No hours may be credited toward sanitation and disinfection training. According to the Department of Professional and Occupational Regulation (department), the typical length of body-piercer apprenticeships in practice are at least 1,500 hours. Apprenticeship sponsors must: 1) have a current Virginia body-piercing license, 2) have been legally practiced body-piercing for at least 7 years, and 3) be in good standing in all jurisdictions where body-piercing is regulated.

The proposed requirements for licensure as a body-piercer – ear only include: 1) completion of a minimum of three hours of health education to include but not limited to blood borne disease and first aid, 2) verification of training on a mechanized, pre-sterilized ear-piercing system that penetrates the outer perimeter or lobe of the ear or both, and 3) payment of a \$55 fee. The license expires after two years. The body piercer – ear only must complete three hours of health education during the two-year term, as well as pay a \$55 fee, for license renewal.

In order to obtain an initial body-piercing or body-piercing-ear only salon license, the applicant must pay a \$90 fee and report the salon address. The proposed regulations list several requirements for salons and practitioner responsibilities, most of which pertain to sanitary practice. For example, "Used instruments that are not ultrasonically cleaned prior to being placed in the used instrument container shall be kept in a germicidal soap solution until brush scrubbed in hot water and soap and sterilized by autoclaving." According to the department, all the listed requirements are standard for reputable body-piercing salons. Basic ultrasonic cleaners and autoclaves used by body-piercing salons cost from \$70 to \$200 and \$1,000 or less,

<sup>&</sup>lt;sup>8</sup> The fee ranges largely depend on class size.

respectively.<sup>9</sup> The department will not inspect the premises for initial licensure.<sup>10</sup> The department will inspect salons in response to complaints.<sup>11</sup>

#### **Costs for Purchasers of Services**

The costs associated with required licensure will likely reduce the supply of bodypiercing services and increase the market prices for those services. Some potential body piercers who would have chosen to sell their services without the licensure requirement will likely chose not to sell body-piercing services if they must face the time and dollar costs associated with obtaining licensure. Reduced competition for those that do offer services will likely result in higher market prices for body-piercing services.<sup>12</sup>

Fewer professional practitioners offering services and higher prices may encourage more individuals, particularly teenagers, to obtain piercings from friends or other amateurs. To the extent that potential higher prices and reduced numbers of professionals induce some price sensitive and distance sensitive<sup>13</sup> individuals to obtain their piercings from friends or other amateurs rather than from professionals, the benefit of potential reduced unsanitary and unsafe practices by professionals may be partially offset.

There are serious health risks associated with body-piercing. The proposed licensure requirements will reduce the risk to public health. As mentioned earlier, no research is currently available to help estimate by what degree risks of adverse health outcomes will be decreased due to the proposed requirements. Thus, a precise comparison of the costs to benefits cannot be made.

#### **Businesses and Entities Affected**

The proposed regulations affect body piercing salons<sup>14</sup> and the subset of the 770 jewelry stores and 268 department stores in Virginia where piercing services are offered, as well as

<sup>&</sup>lt;sup>9</sup> Source: Association of Professional Piercers

<sup>&</sup>lt;sup>10</sup> Source: Department of Professional and Occupational Regulation

<sup>&</sup>lt;sup>11</sup> Ibid

<sup>&</sup>lt;sup>12</sup> Source: Kleiner, M. M. (2000).

<sup>&</sup>lt;sup>13</sup> A reduced supply in body piercers will result in fewer piercing salons and increased average distance to a piercing salon for potential clients.

<sup>&</sup>lt;sup>14</sup> The U.S. Census Bureau has not created a NAICS code for body-piercing salons. The NAICS code for Other Personal Care Services includes body-piercing salons. The Virginia Employment Commission reports 306 other personal care services firms in the Commonwealth.

individuals who perform body piercing and their clients.<sup>15</sup> The Department of Professional and Occupational Regulation estimates that approximately 200 body-piercing practitioners and facilities will become licensed.

## **Localities Particularly Affected**

The proposed regulations affect localities throughout the Commonwealth.

## **Projected Impact on Employment**

Some individuals and businesses who otherwise would have offered services without the costs associated with required licensure will likely not sell body-piercer services under the proposed regulations. Thus, there will likely be a moderate reduction in employment.

## Effects on the Use and Value of Private Property

For those individuals who would not have met all the requirements needed for licensure, the proposed regulations will increase costs. The increased costs will likely discourage some individuals from professionally selling body-piercing services. Thus, the supply of body piercers will likely be less than if there were no licensure requirement. Reduced competition in the sale of body-piercing services will result in higher market prices for those services. Body-piercing salons that stay in the market will garner higher revenue. For those salons that were already meeting licensure requirements, the proposed regulations do not increase costs, other than the nominal fees. Thus, these salons will likely have increased profits and value.

## **Small Businesses: Costs and Other Effects**

As described above, the proposed regulations raise the cost of providing body-piercing services in Virginia. The Department of Professional and Occupational Regulation estimates that approximately 200 body-piercing practitioners and facilities will become licensed. Body-piercing only firms will all be small businesses. Piercing services are offered at a subset of jewelry stores and department stores. According to the Virginia Employment Commission, there are 770 jewelry stores and 260 department stores in Virginia with fewer than 500 employees.

<sup>&</sup>lt;sup>15</sup> Source for figures: Virginia Employment Commission

### Small Businesses: Alternative Method that Minimizes Adverse Impact

The board initially proposed regulations that did not have a separate "ear only" license. Those proposed regulations would have been tremendously costly for small businesses that offer ear piercing, but not other forms of body piercing. Local jewelers, mall retailers that perform ear piercing, etc., would have only been legally permitted to employ individuals who had completed a 1,500-hour apprenticeship that included the following successful number and variety of procedures: 20 ear lobe, 15 helix-ear,15 concha-ear, 15 tragus-ear, 20 tongue, 15 navel, 15 eyebrow, 15 lip, 15 septum, 10 male nipple, 10 female nipple, 12 Monroe (face cheek), 12 Prince Albert (male genitalia), 12 frenum (male genitalia), 12 clitorial hoods (female genitalia), and 12 labias (female genitalia). The supply of individuals who initially would have completed such training would be far less than would be needed to offer ear-piercing services at the various small businesses where such services are now offered. Most of these small businesses would likely be no longer able to offer ear-piercing services. Most of the individuals currently employed offering these services would have lost their jobs.

By including a body-piercer – ear only license, the current proposed regulations have a much smaller adverse impact on small businesses. The 1,500-hour apprenticeship is not required. The proposed requirements for licensure as a body-piercer – ear only include: 1) completion of a minimum of three hours of health education to include but not limited to blood borne disease and first aid, 2) verification of training on a mechanized, pre-sterilized ear-piercing system that penetrates the outer perimeter or lobe of the ear or both, and 3) payment of a \$55 fee.

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