



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4412 Prefiled on November 9, 2017
Author: Henderson
Subject: Tanning Establishment Inspections
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Powell
Impact Date: January 4, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$101,667	\$93,710
Full-Time Equivalent Position(s)	1.50	1.50
State Revenue		
General Fund	(\$93,710)	(\$93,710)
Other and Federal	\$93,710	\$93,710
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase Other Funds expenditures for the inspection of tanning establishments by \$101,667 in FY 2018-19 and \$93,710 in each year thereafter. It will also decrease General Fund revenue by \$93,710 with a corresponding increase in Other Funds revenue of \$93,710, as the bill increases the amount of tanning fee revenues that may be retained by the Department of Health and Environmental Control (DHEC). This bill will have no impact on Federal Funds revenues or expenditures.

Explanation of Fiscal Impact

Prefiled on November 9, 2017

State Expenditure

This bill will allow DHEC, at its discretion, to inspect sources of non-ionizing radiation used in commercial tanning establishments. Currently, DHEC has no duty to inspect sources of non-ionizing radiation unless it has credible information indicating a violation of applicable statutes or regulations or the existence of a public health emergency. This has been interpreted by DHEC as receiving a complaint or a report of an injury or burn at the facility. DHEC currently investigates an average of seven facilities per year under this statute. These investigations are handled by the Tanning Complaint Program, which is operated using \$30,000 of fees that DHEC retains from tanning facility registrations pursuant to Section 13-7-45 (A)(3).

DHEC indicates that under this provision it plans to implement a comprehensive inspection program for the approximately 450 tanning facilities in the state, with inspections occurring on a three year cycle. This inspection program would require 1.5 Full Time Equivalent positions; one

Environmental Health Manager I to serve as an inspector and portions of two positions totaling 0.5 FTEs to support the program. This would allow 150 facilities per year to be inspected. DHEC estimates that the total recurring cost to support a tanning inspection program is \$123,710. This \$123,710 includes the \$30,000 currently dedicated to the Tanning Complaint Program, an additional \$70,263 for salaries and fringe, and an additional \$23,447 in operating costs. This estimate is based on DHEC's experience between 1990 and 2006 when such an inspection program previously existed. DHEC would be required to revise the regulations relating to tanning facilities, but the inspections could begin prior to the regulatory changes taking effect. DHEC also estimates that non-recurring start-up funds in the amount of \$7,957 would be necessary to equip the inspector and administrative staff. Therefore, this bill would result in an increase in Other Funds expenditures of \$101,667 in FY 2018-19 and \$93,710 in each year thereafter.

State Revenue

The bill would allow DHEC to retain a sufficient amount of the fees collected for the administration of the program. Currently, DHEC is limited to retaining \$30,000 pursuant to Section 13-7-45 (A)(3). Revenues in excess of \$30,000 were remitted to the General Fund. The agency reports that fee revenues for this program have averaged \$123,710 over the last three years. DHEC estimates that \$123,710 is approximately the amount necessary to administer the program. Therefore, this bill would reduce General Fund revenues by \$93,710 on a recurring basis and increase Other Fund revenues by \$93,710 on a recurring basis.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director