



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 41-20 – Board of Barbers and Cosmetology Regulations
Department of Professional and Occupational Regulation
February 7, 2012

Summary of the Proposed Amendments to Regulation

The Board of Barbers and Cosmetology (Board) proposes to amend its regulations so that having attempted to obtain a license, certificate or permit by fraudulent representation is grounds for denial or revocation of Board issued credentials.

Result of Analysis

Benefits will likely outweigh costs for this regulatory change.

Estimated Economic Impact

Current regulations allow the Board to revoke or refuse to issue initial or subsequent licenses, certifications or permits for many reasons; amongst these, the Board can revoke or refuse to issue these credentials if “the licensee, certificate holder, permit holder or applicant obtained, renewed, or reinstated a license, certificate or permit by false or fraudulent representation”. The Board proposes to add “attempted to obtain” to this sentence so that the Board has the power to refuse licensure to someone who is not a current licensee, certificate holder or permit holder but who has attempted to obtain a license using false or fraudulent information.

This regulatory change is unlikely to impact current licensees, certificate holders or permit holders unless they fail to renew their Board issued credentials within 30 days of their renewal date, are then required to reinstate their credentials and they attempt to get them reinstated by lying to the Board. Individuals who fall into this category will likely have their reinstatement application denied and may be subject to Board-issued fines. With this proposed regulatory change, applicants for licensure, certification or permit who lie in attempt to gain

licensure will have that licensure denied. To the extent that the public is protected from poor and harmful services on account of the Board's credentialing programs, they will also benefit from this proposed regulatory change that allows the Board to refuse licensure, certification or permit to individuals who are attempting fraud.

Businesses and Entities Affected

The Department of Professional and Occupational Regulation (DPOR) reports that there are 4,500 entities currently licensed, certified or permitted under these regulations. All of these entities will be affected by these regulatory changes.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have no impact on legal employment in the Commonwealth.

Effects on the Use and Value of Private Property

This regulatory action will likely have no effect on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

DPOR reports that 768 small businesses will be affected by these proposed regulations. These businesses are unlikely to incur any costs unless affected small business owners attempt to obtain Board credentials fraudulently.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The Board likely cannot further reduce any small business costs while at the same time stopping individuals from attempting to obtain Board credentials fraudulently.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

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 36 (06). 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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.