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FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/11

SPONSOR Garcia, M.J. LAST UPDATED _____ HB _____

SHORT TITLE Ban Tanning Device Use for People Under 18 SB 430

ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$2.5	\$5.0	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$2.5	\$5.0	\$7.5	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 430 (SB 430) bans the use of tanning devices by persons under age eighteen. Tanning facility owners/operators who violate the provisions of the bill would be guilty of a misdemeanor and fined \$250 for the first offense, \$500 for the second offense and \$1,000 for the third and all subsequent offenses. SB 430 will require the New Mexico Environment Department to promulgate rules necessary to implement the provisions of the bill.

FISCAL IMPLICATIONS

This bill will generate revenue for the state in accordance with provisions for penalties. However, it is unknown as to whether the administrative costs associated with monitoring

violators and/or the loss in Gross Receipts Tax revenues generated from minors will be less than the cost of enforcement. The table above reflects an estimate that includes 10 salons being fined the first time, and those same salons being fined a second time.

SB 430 does not specify where funds collected through the fines will be deposited.

SIGNIFICANT ISSUES

Tanning facilities in New Mexico are not currently regulated by any state agency.

The EDD considers this bill to be additional regulation on small business at a time when the economy is most delicate.

Other state governments have passed similar legislation but allow for minors as young as 14 to use tanning devices with parental consent or prescriptions from doctors recommending ultra violet light for medical conditions such as skin and mood disorders. Such alternatives could address health concerns without as dramatic of an impact on small business within this industry.

PERFORMANCE IMPLICATIONS

EDD reports that the Federal Government recently passed a 10% excise tax on the tanning industry.

ADMINISTRATIVE IMPLICATIONS

There will be administrative costs/burden associated with enforcement of this regulation.

OTHER SUBSTANTIVE ISSUES

DOH estimates that over 2.5 million teens use tanning salons annually. Adolescence and early adulthood appear to be among the most sensitive periods for the effects of sunburn and tanning bed use and the development of melanoma in adulthood. The International Agency for Research on Cancer recommends banning commercial indoor tanning for those younger than 18 years to protect them from the increased risk for melanoma and other skin cancers. As of February 2011, 32 states regulate the use of tanning facilities by minors.

The EDD notes that most tanning businesses in New Mexico require parental consent for minors to use tanning devices.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A ban on individuals under 18 will not be imposed.

AHO/svb