Fiscal Impact Analysis for
Permanent Rule Amendment and Adoptions with Substantial Economic Impact

Agency: North Carolina Radiation Protection Section

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Impact Summary:

State Government:	Yes
Local Government	Yes
Federal Government:	Yes
Substantial Economic Impact:	Yes

Statutory Authority: G.S. § 104E-7(a)(7)
G.S. § 104E-9.1

Rule Citations:
10A NCAC 15 .1403 Definitions – Amend definition for "Agency"
10A NCAC 15 .1414 Warning Signs Required – Amend language for Warning Signs
10A NCAC 15 .1415 Equipment and Construction Requirements – Amend to include FDA label requirement 21 CFR 878, Part 878.4635
10A NCAC 15 .1418 Records: Reports and Operating Requirements – Amend the legal tanning age
10A NCAC 15 .1419 and .1423 – Amend to include updated physical address of agency

Summary

The agency is proposing amendments to its tanning salon rules to prohibit minors from using tanning facilities due to a recent statutory change, include federal requirements related to warning signs and labels, and make minor changes. The agency estimates that salons would incur $63,000 as a one-time cost to adhere to the federal and state requirements. The age restriction on tanning would likely lead to losses for the salons, local, state and federal government. However, minors and their families would save the same amount in tanning fees and divert it to other spending, as well as potentially incur healthcare cost savings avoided loss of productivity due to a lower exposure to ultraviolet radiation, labeled by a US DHHS as a known human carcinogen.[1] Table 1 presents a summary of impacts.

Table 1: Costs and Benefits by Affected Party for Ban on Underage Tanning (NPV for Fiscal Years 2016-2020)

	Cost	Benefit
Registrants	$12,554,000	$0
Local Government	$277,000	$16,000
State Government	$658,000	$0
Tanners	$0	$13,844,000
Federal Government	$432,000	$0
Total	**$13,920,000**	**$13,860,000**

[1] National Toxicology Program. "Report on Carcinogens, Thirteenth Edition." 2014. Research Triangle Park, NC: U.S. Department of Health and Human Services, Public Health Service. http://ntp.niehs.nih.gov/pubhealth/roc/roc13/

Background

NC Tanning Regulations: The Radiation Protection Section (RPS) is responsible for enforcing rules pertaining to tanning facilities in 10A NCAC 15 .1400. This authority is obtained from the North Carolina Radiation Protection Act (G.S. 104E) which established the Radiation Protection Commission with the powers to "…provide by rule and regulation for an electronic product safety program to protect the public health and safety, which program may authorize regulation and inspection for sources of non-ionizing radiation throughout the state". Ultraviolet (UV) lamps used for tanning are a source of non-ionizing radiation. The NC Radiation Protection Commission initially adopted rules for protection against radiation associated with tanning facilities effective June 1, 1989.

Changes in NC Laws Regarding Tanning: On May 21, 2015, The Jim Fulghum Teen Skin Cancer Prevention Act was signed into law. This law amends G.S. 104E-9.1(a)(2) to read:

> " (2) The operator shall not allow a person ~~13 years and younger~~ under 18 years of age to use tanning ~~equipment without a written prescription from the 16 person's medical physician specifying the nature of the medical condition 17 requiring the treatment, the number of visits, and the time of exposure for 18 each visit.~~equipment."

10A NCAC 15 .1418 currently allows for underage tanning with a doctor's prescription or parental consent. These allowances must be removed in order for the rule to be compliance with G.S. 104E-9.1(a)(2).

FDA Tanning Regulations: The Food and Drug Administration (FDA) regulates electronic products, including sunlamp products and UV lamps intended for use in sunlamp products, under chapter 5, subchapter C of the FD&C Act (21U.S.C. 360hh et seq.). Under these provisions, FDA administers an electronic product radiation control program to protect the public health and safety. Sunlamp products and UV lamps intended for use in sunlamp products are subject to the regulations for electronic product radiation control, including 21 CFR parts 1000 through 1010 and § 1040.20 (21 CFR 1040.20). The sunlamp products and UV lamps intended for use in sunlamp products performance standard in § 1040.20 was originally published in the Federal Register on November 9, 1979 (44 FR 65352). FDA has made amendments to this performance standard to reflect current scientific knowledge related to sunlamp product and UV lamp use, harmonize it more closely with International Electrotechnical Commission (IEC) International Standard 60335-2-27, Ed. 5.0: 2009-12, and strengthen the warning statement required by § 1040.20(d)(1)(i), in accordance with the results of the study FDA conducted under section 230 of the Food and Drug Administration Amendments Act of 2007.

Effective September 2, 2014, FDA reclassified UV lamps intended to tan the skin from class I (general controls) exempt from premarket notification to class II (special controls) and subject to premarket notification. By August 26, 2015 the FDA will require all individual sunlamp products that have been shipped to operators or users such as tanning facilities and individual consumers prior to September 2, 2014 must comply with the labeling special controls at 21 CFR 878.4635(b)(6)(i)(A). If the manufacturer is no longer in business, sunlamp product owners would have to apply the required labeling. 21 CFR 878.4635(b)(6) states:

> "Labeling must bear all information required for the reasonable assurance of safe and effective use of the device.
> (i) The warning statement below must appear on all sunlamp product fixtures. This statement must be permanently affixed or inscribed on the product when fully assembled for use so as to be legible and readily accessible to view by the person who will be exposed to UV radiation immediately before the use of the product. It shall be of sufficient durability to remain legible throughout the expected lifetime of the product. It shall appear on a part or panel displayed prominently under normal conditions of use so that it is readily accessible to view whether the tanning bed canopy (or tanning booth door) is open or closed

when the person who will be exposed approaches the equipment and the text shall be at least 10 millimeters (height). Labeling on the device must include the following statement:

"Attention: This sunlamp product should not be used on persons under the age of 18 years."

(ii) Manufacturers of sunlamp products shall provide or cause to be provided in the user instructions for a sunlamp product as well as all catalogs, specification sheets, and descriptive brochures intended for consumers in which sunlamp products are offered for sale, and on all consumer-directed webpages on which sunlamp products are offered for sale, the following contraindication and warning statements:
(A) "Contraindication: This sunlamp product is contraindicated for use on persons under the age of 18 years."
(B) "Contraindication: This sunlamp product must not be used if skin lesions or open wounds are present."
(C) "Warning: This sunlamp product should not be used on individuals who have had skin cancer or have a family history of skin cancer."
(D) "Warning: Persons repeatedly exposed to ultraviolet sunlamp products should be regularly evaluated for skin cancer."
(iii) Manufacturers of sunlamp products shall provide validated instructions on cleaning and disinfection of sunlamp products between uses in the user instructions.
(c) Sunlamp products are subject to the electronic product performance standard at § 1040.20 of this chapter.
"Attention: This sunlamp product should not be used on persons under the age of 18 years.""

The Radiation Protection Section does not have the authority to enforce the FDA label requirements outlined above without adopting a rule which includes 21 CFR 878.4635(b)(6)(i)(A), which is being proposed to be added to rule 10 A NCAC 15 .1415.

Because the FDA label states that the sunlamp product "should not" be used on persons under 18 and the NC law now states that persons under 18 "shall not" use sunlamp products, the FDA label on the bed was deemed too permissive. Therefore, rule .1415 was further amended to include an additional label which would state:

"North Carolina state law prohibits the use of this device by persons under 18 years of age".

The Non-ionizing Committee to the Radiation Protection Commission discussed the rules and promulgated the rule amendments. The members of the committee made additional changes to rule 10A NCAC 15 .1414 by adding language to the Warning Sign and Warning Statement, which must be posted in rooms and signed by tanning consumers, that includes the language from the FDA regulation above.

<u>Anticipated Fiscal Impact</u>

These rule changes address four issues. One is regarding changing the language on Warning Signs and Consumer Statements to align with FDA language. The second is affixing warning labels to tanning beds, as required by FDA rules. The third is a revised address and definition. The fourth is regarding prohibiting anyone under the age of 18 from using tanning beds, as is now NC law. Each of the anticipated fiscal impacts will be discussed separately below. Only the fourth rule change, prohibiting minors from tanning, is expected to have a substantial fiscal impact. An in-depth economic analysis, two alternatives, and uncertainties will be discussed for the final rule change.

1. <u>Warning Sign and Consumer Statement Language</u>

The change in Warning Sign and Consumer Statement language would have minimal costs for salon owners. Warning Signs and Consumer Statements, when not provided by RPS, can all be printed on regular 8.5" x 11"

paper. To print new consumer statements and signs would cost no more than $5.00 per facility. Tanning facility registrants number approximately 1,100 in North Carolina. 1,100 facilities x $5 = $5,500.

Consumer Statements and Warning Signs are currently printed and sent to new facilities when registered. The documents are also currently checked during inspections for proper language and this new requirement will not take inspectors any additional time to document, as they are already checked.

2. Warning Labels

The rule amendments would require registrants to affix two new labels to each of their tanning units. Tanning facility registrants number approximately 1,100 in North Carolina. There are 5,706 tanning units according to the Tanning registration database maintained by RPS registered in the state. The labels are estimated to cost $5.00 or less. The estimated total costs for all tanning units in the state for these labels is $57,000.

Currently, there are 5 labels on the bed which much be checked at the time of inspection to ensure they are present and legible. The additional labels would only represent a few moments more the RPS inspectors would need to spend checking the bed.

3. Definition of Agency and Address Change:

Due to a change in Department, the definition of "Agency" needed to be updated in rule .1403. Due to a physical change in address, rules .1419 and .1423 need to be updated.
There would be no fiscal impact created by these rule amendments.

4. Prohibition of Minor Tanning

This section of the fiscal note discusses the economic impact the rule change related to the ban on minors tanning would have on Registrants (Tanning Facilities), State Government, Tanners, and Federal and Local Governments (where applicable).

Registrants:

- Costs:
  1. Loss of Business
     According to the American Association of Dermatology, 30 million people tan indoors in the U.S. annually. Of these, 2.3 million (or about 7.7%) are teens.[2] Some of these teens will be 18 or 19 and are of legal tanning age under latest NC statutory change. We will assume 50% of teen tanners are under 18. This is a reasonable estimate based on a study of more than 10,000 boys and girls aged 12-18, where tanning increased from 7% among 12 year olds to more than 14% among 14 year olds and more than doubled again by age 17 to 36%.[3] If we assume 50% of teen tanners are under 18, it represents approximately 3.8% of clientele for tanning salons.

[2] American Academy of Dermatology website. Danger of Indoor Tanning. https://www.aad.org/media-resources/stats-and-facts/prevention-and-care/dangers-of-indoor-tanning

[3] Brewer, Jerry, Donna Mcquinn, Christine Lohse, and John Hassani. 2015. "Tanning Bed Perception Survey: A Questionnaire-based Study." *The Journal of Clinical and Aesthetic Dermatology,* 2015 March, 8 (3): 23-27. http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4382142/

According to data for North Carolina from the Census Bureau, the tanning industry in NC generated approximately $33,400,000 in revenue in 2007.[4] According to another source, the sale of tanning related products in North Carolina should be approximately $62,700,000 annually (about $57,000 in sales per year for each of the 1,100 facilities in NC).[5] However, because we believe that the tanning industry is shrinking, we found the average yearly growth rate for the tanning industry in the United States from 2007 to 2012 (roughly -1.8% per year) and used this to find the size of the industry in in years 2016-2020.[6] Therefore, 3.8% loss of business would result in an expected loss of $1,087,000 for tanning fees (3.8% loss from estimated NC facilities' total of $28,367,000 in tanning fees) and a $2,405,000 loss in product sales for the first fiscal year the proposed rule is in effect. These two estimates include sales taxes the facilities would have to pay. Table 2 shows the anticipated loss in annual revenue for registrants due to the ban and the loss after taxes of 2% at the local level, 4.75% at the state level, and 10% at the federal level have been taken into account.

Table 2. **Anticipated Loss in Annual Revenue for Tanning in NC Due to Restrictions on Under 18 Tanning**
Actual Loss when Federal, State, and Local Taxes Are Taken Into Account

	FY2016	FY2017	FY2018	FY2019	FY2020
Loss in Product Sales after Taxes	$2,243,000	$2,202,000	$2,162,000	$2,123,000	$2,084,000
Loss in Tanning Fees after Taxes	$905,000	$889,000	$872,000	$857,000	$842,000
Total Loss after Taxes	$3,148,000	$3,091,000	$3,034,000	$2,980,000	$2,926,000

2. Value of Time Lost Due to Verifying Clientele under 18 Years of Age
   The additional time required to check ID would be insignificant. Salon operators are already required to do paperwork with new clients and this would only add a few extra seconds.

3. Penalties Due to Lack of Compliance with Ban on Underage Tanning
   Some facilities will be cited a violation for allowing underage tanning and subsequently be penalized. Due to the nature of enforcing this rule, we do not expect to cite many violations or to penalize many facilities. A good estimate, based on the Section's experience, is penalizing 2 facilities/year approximately $2,000, which would result in a total of $4,000/year loss to tanning facilities.

[4] US Census Bureau. Factfinder. 2007 US and NC Economic Census and 2012 US Economic Census, Product and Services Code 32251 http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

[5] http://www.smallbusinesspoint.com/tan.pdf

[6] US Census Bureau. Factfinder. 2007 US and NC Economic Census and 2012 US Economic Census, Product and Services Code 32251 http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Federal/State/Local Government:

- Costs:
  1. Increased Time for Inspections and Enforcement
     The additional time it would take inspectors to verify that facilities are not allowing underage tanning will essentially consist of the inspector asking the operator how he/she ensures that clients are of legal tanning age. This one question would have very little impact on the time it takes to conduct an inspection and therefore would not be a significant cost.

  2. Decrease in Federal/State/Local Government Tax Revenue
     Using the expected loss in revenue for tanning salons in N.C. (computed in Costs for Registrants above), the loss in federal, state, local sales tax revenue can be calculated. Table 3 calculates loss in tax revenue using the 10% federal excise tax, 4.75% state tax, and 2.0% local tax rate. Note that the 10% federal excise tax is only on the tanning services and not on the sale of products associated with tanning.

     Table 3. Loss in Tax Revenue Resulting from Under 18 Ban on Tanning

	FY2016	FY2017	FY2018	FY2019	FY2020
Loss of Federal Taxes	$109,000	$107,000	$105,000	$103,000	$101,000
Loss of State Taxes	$166,000	$163,000	$160,000	$157,000	$154,000
Loss of Local Taxes	$70,000	$69,000	$67,000	$66,000	$65,000
Total Loss of Taxes	$345,000	$339,000	$332,000	$326,000	$320,000

- Benefits:
  1. Health Care Dollars Saved
     It is possible that the federal and state governments might see some decrease in the health care spending to the extent this measure avoids any skin cancers occurrences or minimizes their severity in cases where the government would have to pay for healthcare treatments. Since we cannot predict what the savings in health care would be due to this ban, we are unable to quantify how much money local, state, or federal government would save in healthcare expenses.

  2. Possible Increase in Penalties
     Increase in penalties would be minimal. This rule change, as written, would be very difficult to enforce. Facilities are not required to photocopy ID or document DOB on client records. Unless an inspector is at the facility while an operator allows a minor to tan, or a parent comes forward and say that there child was allowed to tan, RPS would have no way of verifying that a facility is allowing underage tanning. Therefore, this rule change would likely only result in one or two additional penalties per year. Average penalty amounts are $2,000, and go to the school system of the county where the facility is located; therefore, the expected additional revenue to local government is $4,000 per year.

Tanners:

- Costs:
  1. Avoided Benefit of Tanning Bed Service
     The ban would probably result in a perceived loss by minors who regard a UV tanning bed as their preferred method and are willing to pay more for it than any other form of tanning. Some of this loss would probably be offset by using other tanning methods. Given the idiosyncratic nature of this cost, it is difficult to estimate it.

- Benefits:
  1. Save money on tanning and tanning products
     If we assume that minors who are banned from UV tanning beds opt to save their money, they would save approximately $1,087,000 in the first year on tanning and $2,405,000 annually on tanning products.

     Table 4. Cost Savings for Minors and their Families

Families of Minors	FY2016	FY2017	FY2018	FY2019	FY2020
Tanning Fees Savings	$1,087,000	$1,068,000	$1,048,000	$1,029,000	$1,011,000
Tanning Products Savings	$2,405,000	$2,361,000	$2,319,000	$2,277,000	$2,235,000
Total Family Savings	$3,492,000	$3,429,000	$3,367,000	$3,306,000	$3,246,000

  2. Healthcare Cost Savings
     Both the US Department of Health and Human Services and the World Health Organization have stated that UV radiation for tanning beds is a carcinogen. Studies have shown that exposure to UV tanning can lead to increased risk of melanoma and non-melanoma skin cancers.[7] More than 400,000 skin cancer cases annually have been linked to indoor tanning, out of which more than 6,000 were melanomas, or about 1.5%.[8,9] Additional research has shown that there is a 59% increase in risk of melanoma for those who have been exposed to tanning beds, regardless of whether the individual shows signs of a burn after exposure or not; and those who first use a tanning bed before they are 35 increase their risk of melanoma by 75%.[10,11] Moreover, one indoor UV tanning session increases

[7] American Academy of Dermatology website. Danger of Indoor Tanning. https://www.aad.org/media-resources/stats-and-facts/prevention-and-care/dangers-of-indoor-tanning

[8] Wehner MR, Chren M, Nameth D, et al. International Prevalence of Indoor Tanning: A Systematic Review and Meta-analysis. JAMA Dermatol, 2014, 150(4):390-400. http://archderm.jamanetwork.com/article.aspx?articleid=1818976

[9] Skin Cancer Foundation website. Skin Cancer Facts. http://www.skincancer.org/skin-cancer-information/skin-cancer-facts#indoor

[10] American Academy of Dermatology website. Danger of Indoor Tanning. https://www.aad.org/media-resources/stats-and-facts/prevention-and-care/dangers-of-indoor-tanning

[11] Lazovich D, Vogel RI, Berwick M, Weinstock MA, Anderson KE, Warshaw EM. Indoor tanning and risk of melanoma: a case-control study in a highly-exposed population. *Cancer Epidem Biomar Prev* 2010 June; 19(6):1557-1568. http://www.ncbi.nlm.nih.gov/pubmed/20507845

the risk of developing squamous cell carcinoma by 67% and basal cell carcinoma by 29%, and risk of these types of cancers can be increase dramatically if an individual tans six times per year in high school.[12],[13]

There is a possibility that as a result of the statutory change and the proposed rule savings of health care costs would be incurred from decreasing the risk of cancerous lesions and melanomas. A study estimated that between 2007 and 2011, an average of about 4.9 million adults were treated for skin cancer annually, with average treatment costs of $8.1 billion each year. Of the $8.1 billion a year, $4.8 billion is for the treatment of non-melanoma skin cancers and $3.3 billion for melanoma with average costs of $1,100 for non-melanoma cases and $4,800 for melanoma cases.[14] Additionally, a 2006 estimated that the loss of productivity annually as a result of melanoma cases was a total of $2.85 billion.[15]

A determination of the avoided healthcare costs that would result from the rule change is difficult because there is no data on the number of different types of cancer cases that such a policy would avoid, decrease the severity of, or postpone. It is unclear whether minor, as a result of not being allowed to use UV tanning, would avoid picking up the habit of indoor tanning or if they would simply postpone tanning until they become of age. An additional complication is the compliance is likely to be less than 100% given the enforcement issue noted above. Given all this, while research shows clear benefits from not being exposed to UV tanning beds, there is not sufficient information and data to estimate the avoided healthcare costs and productivity losses.

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[12] Wehner MR, Chren M, Nameth D, et al. International Prevalence of Indoor Tanning: A Systematic Review and Meta-analysis.JAMA Dermatol. 2014. http://archderm.jamanetwork.com/article.aspx?articleid=1818976

[13] Zhang M, Qureshi AA, Geller AC, Frazier L, Hunter DJ, Han J. Use of tanning beds and incidence of skin cancer. *J Clin Oncol* 2012; 30(14):1588-93. http://www.ncbi.nlm.nih.gov/pubmed/22370316

[14] Guy GP, Machlin SR, Ekwueme DU, Yabroff KR. Prevalence and costs of skin cancer treatment in the U.S., 2002-2006 and 2007-2011. *Am J Prev Med* 2014*;* 104(4):e69-e74

[15] Wickenheiser MR, Bordeaux JS, Robinson JK. Melanoma screening by physicians: time for a policy change in the United States. *JAMA Dermatol* 2014; 150(10):1045-1046.
http://www.researchgate.net/publication/265343577_Melanoma_Screening_by_Physicians

Table 5. Quantifiable Expected Costs Resulting from Changes in Tanning Rules for Five Year Period

	FY2016	FY2017	FY2018	FY2019	FY2020
COSTS					
Tanning Facilities					
Warning Signs	$6,000				
Warning Labels	$57,000				
Penalties Paid	$4,000	$4,000	$4,000	$4,000	$4,000
Loss in Product Sales	$2,243,000	$2,202,000	$2,162,000	$2,123,000	$2,084,000
Loss in Tanning Fees	$905,000	$889,000	$873,000	$857,000	$ 841,000
Total Tanning Facilities	$3,215,000	$3,095,000	$3,039,000	$2,984,000	$2,929,000
NPV[1]	***$12,554,000***				
Federal Government					
Loss of Tax Revenues	$109,000	$107,000	$105,000	$103,000	$101,000
NPV[1]	***$432,000***				
State Government					
Loss in Tax Revenue	$166,000	$163,000	$160,000	$157,000	$154,000
NPV[1]	***$658,000***				
Local Government					
Loss in Tax Revenue From Tanning Fees	$70,000	$69,000	$67,000	$66,000	$65,000
NPV[1]	***$277,000***				
TOTAL COST	**$3,560,000**	**$3,434,000**	**$3,371,000**	**$3,310,000**	**$3,249,000**
NPV[1] of Costs	**$13,920,000**				
BENEFITS					
Families of Minors					
Tanning Fees Savings	$1,087,000	$1,068,000	$1,048,000	$1,029,000	$1,011,000
Tanning Products Savings	$2,405,000	$2,361,000	$2,319,000	$2,277,000	$2,235,000
NPV[1] of Health Savings	Unquantified				
Total Family Savings	$3,492,000	$3,429,000	$3,367,000	$3,306,000	$3,246,000
NPV[1]	***$13,844,000***				
Government					
Penalties Collected (Local Gov't only)	$4,000	$4,000	$4,000	$4,000	$4,000
NPV[1] of Health Savings	Unquantified				
NPV[1]	***$16,000***				
TOTAL BENEFITS	**$3,496,000**	**$3,433,000**	**$3,371,000**	**$3,310,000**	**$3,250,000**
NPV[1] of Benefits	**$13,860,000**				
TOTAL Impact	$7,056,000	$6,867,000	$6,742,000	$6,620,000	$6,499,000
Net Impact	$(64,000)	$ (1,000)	$ -	$ -	$1,000

[1] NPV stands for Net Present Value and is computed as of July 1, 2015 using the statutorily mandated 7% discount rate (NCGS 150B-21.4(b1)).

Alternatives

Two alternatives will be presented.

Alternative 1: Require registrants to make photocopy of every client's ID and keep on file

The first alternative requires tanning facilities to make a photocopy of valid ID (rather than just check ID) and keep the photocopy on file for two years. This is considered a more rigorous process for facilities which could potentially further decrease number of people tanning, thereby decreasing revenue for tanning facilities, saving more money for tanners, decreasing skin cancers and health care dollars spent, potentially decreasing state revenue from registration fees if facilities close or downsize, and decreasing state and federal tax revenue from tanning. However, this additional requirement is seen as being somewhat onerous for facility owners who are following the rules, in terms of opportunity loss and copying costs, while not entirely preventing underage tanning. If non-compliant facilities decide that they are going to allow underage tanning, they simply will not photocopy the ID and thereby not have a record of underage tanning at the facility. While requiring a photocopy of the ID may prevent a slightly greater number of underage tanners in facilities, it does not make the law more enforceable.

Registrants:

- Costs:
  1. Increased Costs due to Photocopying
     Using the average wage and compensation of someone in the service industry ($14.48/hr)[16] for one minute, the expected costs of photocopying ($0.25)[17] and the 300,000 NC tanners, there would be an additional one-time cost of $147,000 to photocopy the ID of all the current tanners, plus an additional $6,000 a year for new teen tanners (assuming that the number of new teen tanners is roughly constant).

     Table 6. Additional Costs to Registrants by Requiring Photocopying of Client ID

	FY2016	FY2017	FY2018	FY2019	FY2020
Costs	$154,000	$6,000	$6,000	$6,000	$6,000

  2. Under this type of rule, there could be a possible decrease in the tanning industry revenue due to some clients no longer tanning to avoid having their license photocopied.

Government:

- Costs:
  1. Increased Inspection Time
     By forcing companies to make a photocopy of each individual consumer's license, this alternative would create the ability to examine records and make sure that facilities are not allowing minors to tan. This could lead to increases in inspection times if the inspectors decide to examine records, creating an opportunity cost for all the extra time spent on examining records. The extra few minutes spent during inspection could potentially slow the number of inspections down that can occur over the course of a year and there is an opportunity cost associated with the inspector's time. Currently, inspectors collectively conduct about 450 inspections/year. At an average total

[16] http://www.bls.gov/news.release/ecec.t05.htm

[17] http://www.staples.com/sbd/content/copyandprint/copiesanddocuments.html

compensation rate of $59,980, including salary and benefits, the value of the additional time needed by inspector is estimated at about $2,000 a year, assuming no more than 10 additional minutes per inspection.

- Benefits:
  1. Increased compliance in restricting underage tanning due to more rigorous verification process, leading to potentially higher health cost savings.

Tanners:

- Benefits:
  1. Decrease in Money spent on Tanning
     Owners and employees of tanning facilities should be more likely to prohibit underage tanners if they have to make a photocopy of the minors' licenses; therefore, minors would save money on tanning.
  2. Avoided healthcare costs associated with a decrease in cancer incident due to more rigorous implementation of underage ban on tanning.

<u>Alternative 2: Do Not Change Rule .1418 (d) to be in Compliance with G.S. 104E-9.1(a)(2)</u>

The second alternative is to not change the rule to be in compliance with the general statute, effectively not enforcing the ban on minor tanning. This is considered a less rigorous process for tanning facilities than having to check ID. It is assumed that underage tanning would still decrease, but not as substantially as if the rule is changed as proposed to be in compliance with the law. This alternative could potentially result in less of a decrease in tanning clients, less of a decrease in facility revenue, less savings for tanners, less of a decrease in skin cancers and health dollars saved, less of a decrease in state revenue from registration fees, and less decrease in state and federal tax revenue than was estimated for the fiscal impact above. Costs and benefits by affected party will be discussed for each alternative. Costs and benefits are only noted in how they differ from what was discussed in previous section.

Registrants:

- Costs:
  1. Not changing Rule .1418 (d) would have several unquantifiable costs that should be avoided. These include the value of lost time due to the confusion over whether or not to allow minors to tan and the possibility for facilities not to comply would eliminate a portion of the savings experienced by tanners related to money saved and expected health care costs avoided. Additionally this discrepancy may rise questions about the ethicality and safety of the tanning industry.
- Benefits:
  1. Not changing Rule .1418 (d) would create the ability for tanning facilities to ignore the ban and to let minors under 18 to continue to use indoor tanning. This would result in some facilities not experiencing the expected loss to tanning fees and product losses.

Government:

- Costs:
  1. Not changing Rule .1418 (d) would weaken the legitimacy of DHHS and North Carolina Radiation Protection Section's control over the tanning industry.

2. The state may have opportunity costs of staff time related to increased complaints and investigation requests from parents of minors and competitors regarding facilities which are still allowing underage tanning.

- Benefits:
  1. If facilities do not comply and continue to allow minors under 18 to use indoor tanning, state, local and federal government would not lose as much tax revenue tied to the services and product sales.

Tanners:

- Costs:
  1. If minors still tan illegally, they would still spend money on tanning and tanning products possibly closer to current levels and higher than under the proposed rule change.
  2. Health care costs related to skin cancer occurrences attributable to indoor tanning would stay at current level, and possibly be higher than under the proposed rule change.

Uncertainties

1. In this analysis we made an assumption that 50% of teen tanners would be banned from using tanning beds, that is that half of tanners age 14-19 are age 14-17. While the number of teens that are 14-17 account for more than 50% of teens age 14-19, closer to 65%, we do not believe that there is an equal share of indoor tanning among teens.[18] Below is a table showing how the impact might change if the percentage of teen tanners banned from the market differs from 50%.

Table 7. Sensitivity Analysis for the Portion of Teenage Tanners Under 18

Percentage of Teen Tanners Age 14-17	NPV of Costs	NPV of Benefits
20%	$5,612,000	$5,554,000
25%	$6,997,000	$6,938,000
30%	$8,381,000	$8,323,000
35%	$9,765,000	$9,707,000
40%	$11,150,000	$11,091,000
45%	$12,534,000	$12,476,000
50%	**$13,920,000**	**$13,860,000**
55%	$15,303,000	$15,244,000
60%	$16,687,000	$16,629,000
65%	$18,072,000	$18,013,000
70%	$19,456,000	$19,398,000

[18] OSBM website. Population Estimates. North Carolina Population by Age (Single Age), 2010-2019. http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/demog/statesingleage_2010_2019.html

2. We assumed that the tanning industry would grow at the same yearly rate that it did from 2007 to 2012 in the US. Though this is a reasonable way to look at expected future cost without knowing how exactly the tanning industry's size would change, actual costs and benefits would differ depending on how the tanning industry actual grows. Below is a sensitivity analysis for the costs and benefits depending on different increases or decreases in the tanning industry's size. Note that 98% would be a 2% decrease in the tanning industry while 102% would be 2% growth.

Table 8. Sensitivity Analysis for the Growth in the Tanning Industry

Growth	NPV Costs	NPV Benefits
95.00%	$ 12,324,000	$ 12,250,000
96.00%	$ 12,802,000	$ 12,728,000
97.00%	$ 13,299,000	$ 13,225,000
98.00%	$ 13,816,000	$ 13,742,000
98.19%	**$ 13,920,000**	**$ 13,860,000**
99.00%	$ 14,353,000	$ 14,279,000
100.00%	$ 14,912,000	$ 14,837,000
101.00%	$ 15,492,000	$ 15,417,000
102.00%	$ 16,095,000	$ 16,020,000

3. A major assumption used in these calculations is the amount of products sold in North Carolina's tanning industry. The numbers used were found on a business proposal for a tanning salon. We believe that these sales numbers could be close and that it was important to include the amount of loss revenue from the expected decrease in product sales, however we do recognize that these numbers could be off for a few reasons. First, it is based on information derived from a single source and it is uncertain whether NC tanning salons can in fact average $57,000 per year in product sales. It is likely that the revenue loss from product sales is smaller than estimated. Second, it is reasonable to assume that minors who desire a tan and can no longer use UV tanning beds legally would begin using spray tanning instead since there are no restrictions placed on this type of tanning. Many indoor tanning salons currently offer this option. All loss in revenue due to the under 18 ban could potentially be recouped by spray tanning. Given all the uncertainties and the lack of data on this matter, these benefits cannot be quantified, but it is very likely that the estimate of loss in product sales below would be partially offset. Below is a sensitivity analysis for different levels of product sales.

Table 9. Sensitivity Analysis for the Actual Loss in Product Sales

Actual Loss from Tanning Products	**NPV Costs**	**NPV Benefits**
$ 601,250	$ 6,771,000	$ 6,710,000
$ 1,202,500	$ 9,155,000	$ 9,093,000
$ 1,803,750	$ 11,538,000	$ 11,477,000

$ 2,405,000	**$ 13,920,000**	**$ 13,860,000**
$ 3,006,250	$ 16,305,000	$ 16,243,000
$ 3,607,500	$ 18,688,000	$ 18,627,000
$ 4,208,750	$ 21,071,000	$ 21,010,000
$ 4,810,000	$ 23,455,000	$ 23,393,000

4. Another assumption made is that there is 100% compliance with the change in rules. It is not certain that all teen age 14-17 would be stopped from partaking in the industry, due to multiple reasons. These reasons would include mostly improperly trained owners and staff and or lackadaisical enforcement by the owners and staff. Because it is not safe to assume that the rules would be followed completely, below is a table that has the effects on costs and benefits assuming different compliance levels. Additionally, Alternative 2, where the tanning ban for minors is not enforced would result in less than 100% compliance.

Table 10. Sensitivity Analysis of Compliance with the Rule Change

Compliance	NPV of Costs	NPV of Benefits
50%	$ 6,997,000	$ 6,938,000
60%	$ 8,381,000	$ 8,323,000
70%	$ 9,765,000	$ 9,707,000
80%	$ 11,150,000	$ 11,091,000
90%	$ 12,534,000	$ 12,476,000
100%	**$ 13,920,000**	**$ 13,860,000**

5. Since we cannot answer the question of how many minors the ban would truly prevent from tanning or when their healthcare saving would occur, it is hard to come up with an estimate for the amount of health care costs saved. Some minors banned from indoor tanning may just postpone indoor tanning until they are 18 or increase outdoor tanning, negating some of the expected healthcare savings. Additionally, any benefits resulting from not partaking in indoor tanning would most likely not be realized until 30-40 years from now. Banning minors from indoor tanning would result in benefits through avoiding healthcare costs, but because of all the uncertainty, it is hard to tell when and how much health care savings would be realized.

6. In the proposed rules and in alternative 1, tanners would have to show identification before they could tan. This could cause sales, tanning fees, and taxes to go down slightly along with healthcare savings increasing slightly. It may be the case that some tanners that are 18 or older do not have a driver's license or a non-operator ID. These tanners would not be able to tan under the proposed rule and alternative 1. Also some tanners may decide not to tan under the proposed rules and alternative one, because they do not want to show identification. Having to present a form of identification could be a requirement that might outweighs the tanners' perceived benefits, therefore they no longer would tan under this requirement. For those tanners who do not have a driver's license or ID cards, there would be the additional cost, both in terms of fees and time, of

obtaining one if they want to tan. The NC Department of Transportation currently charges $4 per year for a driver's license (or about $32 for a standard 8-year validity) and $10 for a non-operator ID. There is no way of knowing how many people the requirement to present identification would keep from tanning.

7. With the reduction in tanners, some tanning facilities may no longer be profitable and might have to close. If a facility had to close, there would be a reduction in tanning fees collected, sales of products, taxes and registration fees. If a facility were to close we would expect a reduction of $83,000 in tanning fees and product sales, about $8,000 of this would be a loss to taxes collected by local, state and federal government while $75,000 would be a loss to the facility. Additionally, there would be a loss in registration fees for the tanning equipment that would no longer be in use. Registration fees for facilities are $200 for the first piece of equipment and $30 for each additional piece of equipment. With about 5,700 tanning beds across 1,100 facilities we would expect to see a reduction of registration for 5 pieces of tanning equipment per facility. This would result in a $320 loss to the state per facility that closes. Benefits would be a saving of $83,000 for tanners, since they would no longer be able to tan or buy tanning products if a facility were to close. We cannot know how many facilities, if any, would close due to the ban, but these are the expected costs and benefits associated with a single facility closure.

APPENDIX

PROPOSED RULE TEXT

10A NCAC 15 .1403 is proposed for amendment as follows:

10A NCAC 15 .1403 DEFINITIONS

As used in this Section, the following definitions shall apply:

(1) "Agency" means the North Carolina Department of ~~Environment and Natural Resources.~~ Health and Human Services, Division of Health Service Regulation, Radiation Protection Section.

(2) "Consumer" means any individual who is provided access to a tanning facility which is required to be registered pursuant to provisions of this Section.

(3) "Formal Operator Training" is a course of study approved by this agency as meeting the requirements in Paragraph (h) of Rule .1418 in this Section.

(4) "Individual" means any human being.

(5) "Inspection" means an official examination or observation to determine compliance with the rules in this Section, and orders, requirements and conditions of the agency.

(6) "Minor" means any individual less than 18 years of age.

(7) "Medical Lamps" means any lamp that is specifically designed or labeled for medical use only.

(8) "Operator" means any individual designated by the registrant to operate or to assist and instruct the consumer in the operation and use of the tanning facility or tanning equipment. Under this definition, the term "operator", includes, but is not limited to, any such individual who conducts one or more of the following activities:

(a) determining consumer's skin type;

(b) determining the suitability of prospective consumers for tanning equipment use;

(c) informing the consumer of dangers of ultraviolet radiation exposure including photoallergic reactions and photosensitizing agents;

(d) assuring that the consumer reads and properly signs all forms as required by the rules in this Section;

(e) maintaining required consumer exposure records;

(f) recognizing and reporting consumer injuries or alleged injuries to the registrant;

(g) determining the consumer's exposure schedule;

(h) setting timers which control the duration of exposure; and

(i) instructing the consumer in the proper use of protective eyewear.

(9) "Person", as defined in G.S. 104E-5(11), means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state, any other state or political subdivision or agency thereof, and any legal successor, representative, agent or agency of these entities.

(10) "Registrant" means any person who is registered with the agency as required by provisions of this Section.

(11) "Registration" means registration with the agency in accordance with provisions of this Section.

(12) "Tanning components" means any constituent tanning equipment part, to include ballasts, starters, lamps, reflectors, acrylic shields, timers, and airflow cooling systems.

(13) "Tanning equipment" means ultraviolet or other lamps and equipment containing such lamps intended to induce skin tanning through the irradiation of any part of the living human body with ultraviolet radiation, e.g., beds, booths, facials and wands.

(14) "Tanning equipment services" means the installation, sales and servicing of tanning equipment and associated tanning components; calibration of equipment used in surveys to measure radiation and timer accuracy; tanning health physics consulting, e.g. radiation output measurements, design of safety programs, training seminars for tanning operators and service personnel.

(15) "Tanning facility" means any location, place, area, structure or business which provides consumers access to tanning equipment. For the purpose of this definition tanning equipment registered to different persons at the same location and tanning equipment registered to the same person, but at separate locations, shall constitute separate tanning facilities.

(16) "Ultraviolet radiation" means electromagnetic radiation with wavelengths in air between 200 nanometers and 400 nanometers.

History Note: *Authority G.S. 104E-7(a)(7); S.L. 2011-145, s.13.3(e);*
Eff. June 1, 1989;
Amended Eff. August 1, 2002; May 1, 1993; May 1, 1992;
Transferred and Recodified from 15A NCAC 11 .1403 Eff. February 1, ~~2015.~~ 2015;
Amended Eff. May 1, 2016.

10A NCAC 15 .1414 is proposed for amendment as follows:

10A NCAC 15 .1414 WARNING SIGNS REQUIRED

(a) The registrant shall post the warning sign described in Paragraph (b) of this Rule within one meter of each tanning station and in such a manner that the sign is clearly ~~visible,~~ visible to consumers; not obstructed by any barrier, ~~equipment~~ equipment, or other ~~object~~ object; and ~~can~~ may be easily viewed by the consumer before the tanning equipment is energized.

(b) The warning sign in Paragraph (a) of this Rule shall use upper and lower case letters ~~which~~ that are at least seven millimeters and three and one-half millimeters in height, respectively, and shall ~~have the following wording:~~ state:

DANGER - ULTRAVIOLET RADIATION

UV – emitting tanning devices have been classified as "carcinogenic to humans."

Attention: This sunlamp product should not be used on persons under the age of 18 years.

- Follow instruction.

- Avoid overexposure. As with natural sunlight, overexposure can cause eye and skin injury and allergic reactions. REPEATED EXPOSURE MAY CAUSE PREMATURE AGING OF THE SKIN AND SKIN CANCER.

- Wear protective eyewear.

FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.

Contraindication: This sunlamp product is contraindicated for use on persons under the age of 18 years.

Contraindications: This sunlamp product must not be used if skin lesions or open wounds are present.

Warning: This sunlamp product should not be used on individuals who have had skin cancer or have a family history of skin cancer.

Warning: Persons repeatedly exposed to ultraviolet sunlamp products should be regularly evaluated for skin cancer.

- Medications or cosmetics may increase your sensitivity to the ultraviolet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medication or have a history of skin problems or believe yourself to be especially sensitive to sunlight. Consult your certified tanning operator for a list of cosmetics and products known to create sensitivity to light.

- If you do not tan in the sun, you are unlikely to tan from the use of this product.

- Consumers should report to the agency any injury for which medical attention is sought or obtained resulting from the use of registered tanning equipment. This report should be made within five working days after the occurrence.

(c) Warning signs shall include the current address of the agency: Department of Health and Human Services, Division of Health Service Regulation, Radiation Protection Section, 1645 Mail Service Center, Raleigh, NC 27699-1645.

History Note: *Authority G.S. 104E-7(a)(7); G.S. 104E-9.1;*
Eff. June 1, 1989;
Amended Eff. August 1, 2002; June 1, 1993;
Transferred and Recodified from 15A NCAC 11 .1403 Eff. February 1, ~~2015.~~ 2015;
Amended Eff. May 1, 2016.

10A NCAC 15 .1415 is proposed for amendment as follows:

10A NCAC 15 .1415 EQUIPMENT AND CONSTRUCTION REQUIREMENTS

(a) The registrant shall use only tanning equipment manufactured in accordance with the specifications set forth in 21 Code of Federal Regulations (CFR) Part 1040, Section 1040.20, "Sunlamp products and ultraviolet lamps intended for use in sunlamp ~~products".~~ products," and with 21 CFR Part 878.4635 "Sunlamp Products." The standard of compliance shall be the standards in effect at the time of manufacture as shown on the equipment identification label required by 21 CFR Part 1010, Section 1010.3.

(b) Each assembly of tanning equipment shall be designed for use by only one consumer at a time.

(c) Each assembly of tanning equipment shall be equipped with a timer which complies with the requirements of 21 CFR Part 1040, Section 1040.20(c)(2). The maximum timer interval shall not exceed the manufacturer's maximum recommended exposure time. No timer interval shall have an error exceeding plus or minus 10 percent of the maximum timer interval for the product.

(d) Tanning equipment shall include physical barriers to protect consumers from injury induced by touching or breaking the lamps.

(e) All tanning equipment labeling required in Paragraph (a) of this Rule by 21 CFR 1010, Section 1010.3 and 21 CFR Part 878.4635 shall be ~~legible and accessible to view.~~ easily read by the consumer while in the proximity of the tanning bed.

(f) The timer intervals shall be numerically indicated on the face of the timer.

(g) The timer shall not automatically reset and cause radiation emission to resume for a period greater than the unused portion of the timer ~~cycle,~~ cycle when emission from the tanning device has been interrupted.

(h) Each assembly of tanning equipment shall be provided with a control on the equipment to enable the consumer to manually terminate radiation emission from the equipment at any time without disconnecting the electrical plug or removing any ultraviolet lamp.

(i) The timer for the tanning devices shall be remotely located outside the room where the tanning equipment is located. The remote timer shall be set by a certified tanning operator. ~~Effective August 1, 2004, all tanning facilities shall be equipped with remote timers.~~

(j) The registrant shall ensure that timer tests are performed annually on each assembly of tanning equipment and documented in writing for agency review during inspections to ensure the timer is accurate to within 10 percent as specified in Paragraph (c) of this Rule ~~.1415 of this Section~~ and the consumer is able to terminate the radiation manually in accordance with Paragraph (h) of this Rule.

(k) Medical lamps shall not be used for commercial cosmetic tanning purposes.

History Note: Authority G.S. 104E-7(a)(7);
Eff. June 1, 1989;
Amended Eff. August 1, 2002; June 1, 1993;
Transferred and Recodified from 15A NCAC 11 .1415 Eff. February 1, ~~2015.~~ 2015;
Amended Eff. May 1, 2016.

10A NCAC 15 .1418 is proposed for amendment as follows:

10A NCAC 15 .1418 RECORDS: REPORTS AND OPERATING REQUIREMENTS

(a) Prior to initial exposure, the tanning ~~facility~~ operator shall provide each consumer the opportunity to read a copy of the warning specified in Rule .1414(b) of this Section and ~~request that~~ have the consumer sign a statement that the information has been read and understood. For illiterate or visually impaired persons unable to sign their name, the warning statement shall be read aloud by the ~~operator,~~ operator to that individual, in the presence of a witness, and the witness and the operator shall sign the statement.

(b) The registrant shall maintain a record of each consumer's total number of tanning visits including dates and durations of tanning exposures.

(c) The registrant shall submit ~~to the agency~~ a written report of injury for which medical attention was sought or obtained from the use of registered tanning equipment to the Radiation Protection Section within five working days after occurrence. The report shall include:

(1) the name of the affected individual;

(2) the name and location of the tanning facility involved;

(3) the nature of the actual or alleged injury; and

(4) any other information relevant to the actual or alleged injury, to include the date and duration of exposure and any documentation of medical attention sought or obtained.

(d) The registrant shall not allow individuals under the age of 18 to use tanning equipment. ~~equipment unless the individual provides a consent form and a statement, described in Paragraph (a) of this Rule, signed by that individual's parent or legal guardian.~~

(e) The registrant shall verify by checking legal identification that each consumer is 18 years of age or older.

~~(e)~~ (f) The registrant shall not allow minors to remain in the tanning room while the tanning equipment is in ~~operation except as provided for in this Rule.~~ operation.

~~(f)~~ (g) The registrant shall replace defective or burned out lamps, bulbs, or filters with a type intended for use in the affected tanning equipment as specified by the manufacturer's product label and having the same spectral distribution (certified equivalent lamp).

~~(g)~~ (h) The registrant shall replace ultraviolet lamps and bulbs ~~which~~ that are not otherwise defective or damaged, at such frequency or after such duration of use as ~~may be~~ is recommended by the manufacturer of such lamps and bulbs.

~~(h)~~ (i) The registrant shall certify that all tanning equipment operators are trained in at least the following:

(1) the requirements of this Section;

(2) procedures for correct operation of the tanning facility and tanning equipment;

(3) recognition of injury or overexposure to ultraviolet radiation;

(4) the tanning equipment manufacturer's procedures for operation and maintenance of the tanning equipment;

(5) the determination of skin type of customers and ~~appropriate~~ determination of duration of exposure to registered tanning equipment; and

(6) emergency procedures to be followed in case of injury.

~~(i)~~ (j) The registrant shall allow operation of tanning equipment only by and in the physical presence of persons who have successfully completed formal training courses ~~which~~ that meet the requirements of Subparagraphs ~~(h)(1)~~ (i)(1) to (6) of this Rule.

~~(j)~~ (k) The registrant shall maintain a record of operator training required in Paragraphs ~~(h)and (i)~~ (i) and (j) of this Rule for inspection by authorized representatives of the agency.

~~(k)~~ (l) No registrant shall possess, use, operate, or transfer tanning equipment or their ultraviolet radiation sources in such a manner as to cause any individual under 18 years of age to be exposed to radiation emissions from such ~~equipment except in accordance with Paragraph (d) of this Rule.~~ equipment.

~~(l)~~ (m) Each registrant shall make available to all employees current copies of the following documents:

(1) the facility's certificate of ~~registration;~~ registration with the Radiation Protection Section; and

(2) conditions or documents incorporated into the registration by reference and amendments thereto.

History Note: *Authority G.S. 104E-7(a)(7); G.S. 104E-9, G.S. 104E-9.1, and G.S. 104E-12*
Eff. June 1, 1989;
Amended Eff. August 1, 2002; May 1, 1993; May 1, 1992;
Transferred and Recodified from 15A NCAC 11 .1418 Eff. February 1, ~~2015.~~ 2015;
Amended Eff. May 1, 2016.

10A NCAC 15 .1419 is proposed for amendment as follows:

10A NCAC 15 .1419 COMMUNICATIONS WITH THE AGENCY: AGENCY ADDRESS

Applications for registration, reports, ~~notifications~~ notifications, and other communications required by this Section shall be mailed to the ~~Division of~~ Radiation ~~Protection,~~ Protection Section, 1645 Mail Service Center, Raleigh, North Carolina 27699-1645 or delivered to the agency at its office located at ~~3825 Barrett Drive, Raleigh, North Carolina 27609-7221.~~ 5505 Creedmoor Road, Suite 100, Raleigh, North Carolina 27612.

History Note: Authority G.S. 104E-7(a)(7);
Eff. June 1, 1989;
Amended Eff. August 1, 2002; May 1, 1992;
Transferred and Recodified from 15A NCAC 11 .1419 Eff. February 1, ~~2015.~~ 2015;
Amended Eff. May 1, 2016.

10A NCAC 15 .1423 is proposed for amendment as follows:

10A NCAC 15 .1423 FEES AND PAYMENT

~~(a) This Rule establishes fees for persons registered pursuant to the provisions of this Section to cover the anticipated costs of tanning equipment inspection and enforcement activities of the agency.~~

~~(b)~~ (a) Annual fees established in this Rule ~~are~~ shall be due on the first day of July of each year.

~~(c)~~ (b) Notwithstanding Paragraph (b) of this Rule, when a new registration is issued by the ~~agency~~ Radiation Protection Section after the first day of July of any year, the initial fee is due on the date of issuance of the registration.

~~(d)~~ (c) The initial fee in Paragraph (c) of this Rule shall be computed as follows:

(1) When any new registration is issued before the first day of January of any year, the initial fee is the full amount specified in this Rule; and

(2) When any new registration is issued on or after the first day of January of any year, the initial fee is one-half of the amount specified in this Rule.

~~(e) All fees received by the agency pursuant to provisions of this Rule are nonrefundable.~~

~~(f)~~ (d) Each registrant may pay all fees by cash, ~~check~~ check, or money order ~~provided:~~ as follows:

(1) Checks or money orders shall be made payable to "Radiation Protection ~~Section",~~ Section," and mailed to 1645 Mail Service Center, Raleigh, NC 27699-1645 or delivered to the agency office at ~~3825 Barrett Drive, Raleigh, NC 27609-7221; and~~ 5505 Creedmoor Road, Suite 100, Raleigh, NC 27612; and

(2) Cash payments shall be made only by appointment by calling the agency at ~~919/571-4141~~ 919/814-2250 and delivered to the agency office at ~~3825 Barrett Drive, Raleigh, NC 27609-7221.~~ 5505 Creedmoor Road, Suite 100, Raleigh, NC 27612.

~~(g)~~ (e) Within five days after the due dates established in Paragraphs (b) and (c) of this Rule, the agency shall mail to each ~~registrant,~~ registrant who has not already submitted ~~payment,~~ payment a notice ~~which~~ that indicates the due date, the amount of fees due, and the delinquent date.

~~(h)~~ (f) Payment of fees established in this Rule ~~is~~ shall be delinquent if not received by the agency within 60 days after the due date specified in Paragraphs (b) and (c) of this Rule.

~~(i)~~ (g) If a registrant remits a fee in the form of a check or other instrument ~~which~~ that is uncollectible from the paying institution, the agency shall notify the registrant by certified mail and allow the registrant 15 days to correct the matter, ~~which includes~~ including payment of any fee charged to the agency by a banking institution.

~~(j)~~ (h) If payment of fees is uncollectible from the paying institution or not submitted to the agency by the delinquent date, the agency may institute legal action to collect.

~~(k)~~ (i) Annual fees for persons registered pursuant to provisions of this Section are as listed in the following table:

Type of registered facility	Letters appearing in registration number	Facility plus first piece of tanning equipment	Each additional piece of tanning equipment
Tanning Facility	B	$200.00	$30.00
Tanning Equipment Services	F	$200.00	NA

History Note: *Authority G.S. 104E-7(a)(4); 104E-9(a)(8); 104E-19(a);*
Eff. July 1, 1994;
Amended Eff. July 1, 2011; August 1, 2007; August 1, 2002;
Transferred and Recodified from 15A NCAC 11 .1423 Eff. February 1, ~~2015.~~ 2015;

Amended Eff. May 1, 2016.