

Michigan Office of Administrative Hearings and Rules
611 West Ottawa Street; 2nd Floor, Ottawa Building
Lansing, MI 48933
Phone: (517) 335-8658 FAX: (517) 335-9512

**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

PART 1: INTRODUCTION

Under the Administrative Procedures Act (APA), 1969 PA 306, the agency that has the statutory authority to promulgate the rules must complete and submit this form electronically to the Michigan Office of Administrative Hearings and Rules (MOAHR) at orr@michigan.gov no less than 28 days before the public hearing.

1. Agency Information:

Agency name:	Health and Human Services
Division/Bureau/Office:	HIV/STD, Body Art and Viral Hepatitis Section
Name, title, phone number, and e-mail of person completing this form:	Michael Kucab, Body Art Program Coordinator, 517-284-4916
Name of Departmental Regulatory Affairs Officer reviewing this form:	Mary E. Brennan

2. Rule Set Information:

MOAHR assigned rule set number:	2018-046 HS
Title of proposed rule set:	Body Art Facilities

PART 2: KEY SECTIONS OF THE APA

MCL 24.207a “Small business” defined.

Sec. 7a. “Small business” means a business concern incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated, and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00.

MCL 24.232 (8) Except for an emergency rule promulgated under section 48, and subject to subsection (10), if the federal government has mandated that this state promulgate rules, an agency shall not adopt or promulgate a rule more stringent than the applicable federally mandated standard unless the director of the agency determines that there is a clear and convincing need to exceed the applicable federal standard.

(9) Except for an emergency rule promulgated under section 48, and subject to subsection (10), if the federal government has not mandated that this state promulgate rules, an agency shall not adopt or promulgate a rule more stringent than an applicable federal standard unless specifically authorized by a statute of this state or unless the director of the agency determines that there is a clear and convincing need to exceed the applicable federal standard.

(10) Subsections (8) and (9) do not apply to the amendment of the special education programs and services rules, R 340.1701 to R 340.1862 of the Michigan Administrative Code. However, subsections (8) and (9) do apply to the promulgation of new rules relating to special education with the rescission of R 340.1701 to R 340.1862 of the Michigan Administrative Code.

MCL 24.240 Reducing disproportionate economic impact of rule on small business; applicability of section and MCL 24.245(3).

Sec. 40. (1) When an agency proposes to adopt a rule that will apply to a small business and the rule will have a disproportionate impact on small businesses because of the size of those businesses, the agency shall consider exempting small businesses and, if not exempted, the agency proposing to adopt the rule shall reduce

the economic impact of the rule on small businesses by doing all of the following when it is lawful and feasible in meeting the objectives of the act authorizing the promulgation of the rule:

- (a) Identify and estimate the number of small businesses affected by the proposed rule and its probable effect on small businesses.
 - (b) Establish differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.
 - (c) Consolidate, simplify, or eliminate the compliance and reporting requirements for small businesses under the rule and identify the skills necessary to comply with the reporting requirements.
 - (d) Establish performance standards to replace design or operational standards required in the proposed rule.
- (2) The factors described in subsection (1)(a) to (d) shall be specifically addressed in the small business impact statement required under section 45.
- (3) In reducing the disproportionate economic impact on small business of a rule as provided in subsection (1), an agency shall use the following classifications of small business:
- (a) 0-9 full-time employees.
 - (b) 10-49 full-time employees.
 - (c) 50-249 full-time employees.
- (4) For purposes of subsection (3), an agency may include a small business with a greater number of full-time employees in a classification that applies to a business with fewer full-time employees.
- (5) This section and section 45(3) do not apply to a rule that is required by federal law and that an agency promulgates without imposing standards more stringent than those required by the federal law.

MCL 24.245 (3) Except for a rule promulgated under sections 33, 44, and 48, the agency shall prepare and include with the notice of transmittal a **regulatory impact statement** which shall contain specific information (information requested on the following pages).

PART 3: AGENCY RESPONSE

Please provide the required information using complete sentences. **Do not answer any question with “N/A” or “none.”**

Comparison of Rule(s) to Federal/State/Association Standards:

1. Compare the proposed rule(s) to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

Many other state laws as well as Michigan’s were based and created on standards set by the National Environmental Health Association (N.E.H.A.)’s Body Art: A Comprehensive Guidebook and Model Code of 1999. National industry organizations such as the Association of Professional Piercers also follow and promote this N.E.H.A. code to ensure safety to the public receiving body art procedures.

- A. Are these rule(s) required by state law or federal mandate?

The rules are being promulgated under the authority of the Public Health Code and are needed for owners, operators and health officials alike in defining the narrow parameters of the state statute. There are no federal laws or mandates on body art facilities.

- B. If these rule(s) exceed a federal standard, identify the federal standard or citation, describe why it is necessary that the proposed rule(s) exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

The rules do not exceed a federal standard.

2. Compare the proposed rule(s) to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

The rules are similar to other states. Initial recommendations entitled the National Environmental Health

Association’s Comprehensive Guidebook and Model Code of 1999 were adopted and applied by states nationwide. The rules do not exceed these standards. Body art in Ohio is regulated under the authority of Chapter 3730.01 of the Ohio Revised Code (ORC) and Chapter 3701-9 of the Ohio Administrative Code (OAC). Indiana Code 16-19-3-4.1 requires the Indiana State Department of Health (ISDH) to adopt rules to regulate the sanitary operation of tattoo parlors. The rule, 410 IAC 1-5, became law on June 12, 1998, and was readopted July 15, 2010.

A. If the rule(s) exceed standards in those states, explain why and specify the costs and benefits arising out of the deviation.

The rules do not exceed standards in other states.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rule(s).

No known conflicts exist. The rules cross-reference several areas in state law that may apply to body art procedures. The rules provide the specific citation to an existing law and have been incorporated by reference. Major referral to authority can be found in the State Public Health Code.

A. Explain how the rule has been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

The rules have gone through several initial reviews with the Michigan Office of Administrative Hearings and Rules and the Legislative Service Bureau (LSB) to ensure seamless coordination with the state, the local county health departments, and the owners and operators of the body art facilities.

4. If MCL 24.232(8) applies and the proposed rule(s) is more stringent than the applicable federally mandated standard, **a statement of specific facts that establish the clear and convincing need to adopt the more stringent rule(s) and an explanation of the exceptional circumstances that necessitate the more stringent standard** is required below:

There are no applicable federal standards for these rules.

5. If MCL 24.232(9) applies and the proposed rule(s) is more stringent than the applicable federal standard, **either the statute that specifically authorizes the more stringent rule(s) or a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rule(s) and an explanation of the exceptional circumstances that necessitate the more stringent standard** is required below:

There are no applicable federal standards for these rules.

Purpose and Objectives of the Rule(s):

6. Identify the behavior and frequency of behavior that the proposed rule(s) are designed to alter.

As public health is of paramount concern, the rules will provide the necessary minimum requirements to hold accountable those owners, operators and technicians who wish to perform body art. Body artists would be required to pass an inspection report by the local health department that has jurisdiction.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rule(s).

Yearly Bloodborne Pathogen Training certificates are required for licensure that promotes prevention of spreading communicable diseases such as Hepatitis, HIV, Staph and other infectious diseases.

B. Describe the difference between current behavior/practice and desired behavior/practice.

Historically, the facilities were not inspected unless there was a local ordinance in place. Local ordinances were not passed in all 83 counties of the state of Michigan. Artists need to show they know how to set up and break down their equipment in a safe, sanitary manner.

C. What is the desired outcome?

The desired outcomes include avoiding cross contamination issues by following the state’s minimum operating standards; properly sterilizing equipment; and ensuring there is proper documentation in the event of a contamination infection to be able to track and possibly notify infected customers.

7. Identify the harm resulting from the behavior that the proposed rule(s) are designed to alter and the likelihood that the harm will occur in the absence of the rule.

There are no current body art administrative rules. In absence of these rules, the spread of disease by improper or illegal procedures performed by body art owners, operators and technicians is likely. At-home “scratchers” do not follow proper infection control and most at home procedures are at times linked to substance abuse situations that also hamper proper infection control and leads to the spread of infectious disease. The rules promote quality control and prevent the spread of infections and diseases, e.g. Hepatitis C, from occurring in this state. The rules also serve as enforcement to the major threat to the public by illegal tattooists offering at home services in unsanitary conditions. These illegal artists advertise on the internet through social media sites such as Craigslist, Facebook and Instagram.

A. What is the rationale for changing the rule(s) instead of leaving them as currently written?

This administrative rule set is new.

8. Describe how the proposed rule(s) protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

While the intent of the rules is to protect the health, safety and welfare of Michigan citizens, the rules provide minimum standards that comply with OSHA’s Bloodborne Pathogen Standards.

9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

All of the proposed rules are new and based on current trends and technology in the body art industry.

Fiscal Impact on the Agency:

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursement rates, etc. over and above what is currently expended for that function. It does not include more intangible costs or benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

10. Describe the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings).

The Department estimated the first-year cost at \$180,000 and annual costs thereafter of approximately \$70,000 and one FTE position. Enactment may have a beneficial impact on state costs for medical care, if increased regulation reduces medical events, including injuries, infections, and bloodborne disease transmission.

11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rule(s).

Program funding will come to the Department through yearly license fees and 14-day temporary license fees. Estimated funds from licensure is approximately \$123,600 per year.

12. Describe how the proposed rule(s) is necessary and suitable to accomplish its purpose, in relationship to the burden(s) it places on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

The rules are needed for local units of government enforcement of the law. One possible burden is the may involve the resulting fines or penalties involved with violations of statute and rules. However, the burden should never occur if the facility owners, operators, and technicians follow the statute and the rules. The rules will serve to prevent the outbreak of infections and diseases to Michigan citizens by providing the minimum requirements of sanitation, disposal of hazard waste, and facility requirements. There should be no additional burdens placed on individuals who are owners or managers of facilities as those individuals are currently paying statutory fees for licenses, training, and inspections already required by MCL 333.13101 through 333.13112.

- A. Despite the identified burden(s), identify how the requirements in the rule(s) are still needed and reasonable compared to the burdens.

The burden will depend on the sanctions levied for violations which can include jail time for both civil and criminal violations. Like any other business involved with the safety of the public, compliance with statute and rules for the health and safety of the public far outweigh the burden on an owner, operator, or technician to ensure the facility, instruments and procedures are up to standards.

Impact on Other State or Local Governmental Units:

13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for such other state or local governmental units as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

Several counties have had body art regulation and licensure in place before the passage of state law. The law increased number of misdemeanor violations and convictions but does strain local resources for ongoing monitoring and follow up.

- A. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

Local agencies have added additional local body art inspection fees to cover cost of monitoring and enforcement. Can recoup losses by civil and criminal penalties.

14. Discuss any program, service, duty or responsibility imposed upon any city, county, town, village, or school district by the rule(s).

Local agencies currently inspect and approve facilities for state licensure. This is the only reporting requirement required by law. Enforcing the public act is authorized to the local health departments that have jurisdiction.

- A. Describe any actions that governmental units must take to be in compliance with the rule(s). This section should include items such as record keeping and reporting requirements or changing operational practices.

Local health departments will be required to promote the rules for consistency in the establishment and enforcement of body art facilities. There is no anticipated increase or changes to operational practices as the local health departments are currently involved in inspections of facilities by statute. The problem is the consistency from one local health department to the next. There are no further government agencies expected to be impacted by these rules.

15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rule(s).

There is a cost reimbursement program in place from the body art licensure program to authorized entities who inspect. Enforcement costs is an unknown since local health departments are not required by the memorandum of understanding to report these costs.

Rural Impact:

16. In general, what impact will the rule(s) have on rural areas?

The rules will have the same impact for all licensed body art facilities statewide, including rural areas.

A. Describe the types of public or private interests in rural areas that will be affected by the rule(s).

The law was enacted to assure that body art minimum standards are met in all counties in Michigan regardless if they have their own local ordinances.

Environmental Impact:

17. Do the proposed rule(s) have any impact on the environment? If yes, please explain.

There is a positive impact to environment with these proposed rules. By reference, the rules enforce the medical waste requirements and administrative rules of the Michigan Department of Environment, Great Lakes, and Energy ensuring proper disposal of otherwise harmful medical waste in the state.

Small Business Impact Statement:

18. Describe whether and how the agency considered exempting small businesses from the proposed rule(s).

No exemptions were considered. The rules are intended to prevent the spread of communicable disease for all defined body art businesses, small or large. Currently all body art facilities can be considered small businesses since most don't have more than (a) 0-9 employees.

19. If small businesses are not exempt, describe (a) how the agency reduced the economic impact of the proposed rule(s) on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rule(s) upon small businesses as described below, per MCL 24.240(1)(a)-(d), or (b) the reasons such a reduction was not lawful or feasible.

Reduction to minimum standards to operate is not feasible. The risk of infection and disease cannot be minimized despite possible economic impact to small business. All businesses are expected to comply with the requirements set by the rules for the health, welfare and safety of Michigan citizens. However, license fees were set on the basis of one yearly required licensure inspection and the local resources needed to do that inspection. Nationally it is known that the average price for a tattoo is approximately \$150 an hour based on the independent survey agency PEW.

A. Identify and estimate the number of small businesses affected by the proposed rule(s) and the probable effect on small business.

All body art businesses are considered "small business". Businesses vary only in number of artists at each location. Current yearly licensure is 854 body art facilities.

B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

There is no differing compliance defined in the law or in the standards for small businesses. The rules are consistent for all body art facilities. Body Art Facilities are required yearly to apply to renew their licenses during a two-month window of October 1st to December 1st.

C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

Businesses are not required to report to the state program but are required to apply each year to renew their licensure and allow one inspection a year by local agencies.

D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rule(s).

Performance standards were designed by the Michigan Association for Local Environmental Health body art workgroup members based on prior experiences by their counties that had body art regulations in place. Critical and non-critical inspection topics were chosen for the state's body art inspection report.

20. Identify any disproportionate impact the proposed rule(s) may have on small businesses because of their size or geographic location.

The rules have no impact based on size or geographic location. Rules were standardized on communicable disease prevention for all body art businesses statewide regardless of the number of customers they service.

21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rule(s).

The reports needed per location include procedures done on clients for local health department inspections; facility Standards of Operations; Hepatitis B vaccination status or declination; and post exposure follow up reports. Average costs of these reports will vary depending on the size of the facility, the number of clientele, and the incidents, if any, the facility is required to report on.

22. Analyze the costs of compliance for all small businesses affected by the proposed rule(s), including costs of equipment, supplies, labor, and increased administrative costs.

There aren't any anticipated additional costs required by rules for those businesses following national industry standards. This is not to say that additional costs may result in the event of a critical violation determination made and requiring the business to correct the violation in the given timeframe. All businesses have the same investment in equipment, supplies, labor and administrative costs and all are considered small businesses.

23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rule(s).

There are no additional costs implied in rules for body art businesses

24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

Body art facilities operate under normal market forces. The only harm to body art facilities is the unlawful and illegal competition found on social media that undercuts their profit margins. The businesses that suffer or fail to thrive are those that are more artisan than business entrepreneur.

25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

There are no exemptions to the rule set. The rules are consistent across all body art facilities.

26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

Lesser standards will promote harm and morbidity to the public. Health and safety requirements are expected from any state body art facility which performs services to the public. Allowing small at home businesses on social media avoid state taxes and proper infection control standards adds to the disease burden of local county morbidity statistics.

27. Describe whether and how the agency has involved small businesses in the development of the proposed rule(s).

Body art facilities welcome licensure as a promotional statement to the industry by setting minimum safety standards and following inspection compliance that is openly shared with the public. Licensure can promote body art professional organizations to form in Michigan

- A. If small businesses were involved in the development of the rule(s), please identify the business(es).

The MDHHS Body Art Program periodically convened a body art workgroup which contained members of the body art industry from across the state that helped in formulating the MDHHS Requirements for Body Art Facilities.

Cost-Benefit Analysis of Rules (independent of statutory impact):

28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

DHHS license; EGLE certificate, blood borne pathogen card = approximately \$600 annually. Unknown as to compliance of the facility requirements as each facility owner will have varying amounts for rent, mortgage, and insurance, in addition to the required supplies needed in order to perform the body art activities. The rules provide for the minimum standards for facility requirements and supplies and equipment. What the facility owner desires to pay is left to him/her.

- A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rule(s).

First, the public consumer. The public benefits from the safety aspect of the rules to ensure no outbreak of disease and assurances of a clean business environment when seeking body art. Second, the 876 licensed body art facilities spanning over 83 counties will benefit by the rules as there will be consistent requirements for each facility. Third, the local health departments as the rules will provide the guidelines for inspections and consistent application of the rules for violations and enforcement procedures.

- B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

There are no other anticipated costs other than the costs described above that include licenses and certificates to do business and equipment and supplies.

29. Estimate the actual statewide compliance costs of the proposed rule(s) on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

Currently the fee for a yearly licensure for body art facility is \$510.65. MIOSHA requires a Bloodborne Pathogen Training that costs \$20 to \$30 and the MGELE requires a three-year medical waste certificate of \$75. The body art facility license fee is comparable to most licenses issued by DLARA.

- A. How many and what category of individuals will be affected by the rules?

The public consumer, the facility owner, the artists, the employees of the facility, the local health department, DLARA, DHHS, and MIOSHA.

- B. What qualitative and quantitative impact does the proposed change in rule(s) have on these individuals?

The public consumer can anticipate having body art performed in a clean environment under the minimum standards imposed by the rules. As the body art business continues to flourish, the public will seek out reputable body art facilities which should increase the number of customers at the facility and may increase employment opportunities for individuals to perform their art and for

those who are hired to assist with the day-to-day functioning of the facilities. The local health department will have consistent rules for inspection and enforcement. DLARA will continue licensing facilities and may see an increase in license revenues and DHHS/MIOSHA will continue its ongoing efforts to improve the standards of body art statewide.

30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rule(s).

A cost reduction was placed in the public act. Any new facility that opens after July 1st is only required to pay a 6-month licensure fee for that year of application. For facilities they may have a reduction in their liability or malpractice insurances by local health department monitoring. The public consumer may avoid infection or other injuries due to the rule requirement which will result in no medical expenses or lost time from employment.

31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rule(s). Provide both quantitative and qualitative information, as well as your assumptions.

Primary and direct benefits would be protecting the safety and health of the people of the state of Michigan. Secondary and indirect benefit would be an education process to those newly entering the profession of body art. Further, it can reduce medical costs to Medicaid patients by preventing unwanted infections.

32. Explain how the proposed rule(s) will impact business growth and job creation (or elimination) in Michigan.

The rules will stimulate growth and create jobs. PA 375 is for a facility license owner who may hire as many artists as needed to satisfy the need for safe and sanitary body art procedures. It will allow for elimination of illegal and unsafe, at-home tattooists.

33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

Typical market forces are in play. The businesses that can expand through multiple locations has the advantage for better marketing. However, it is quality of work that brings in repeat business and referrals. Geographic location may play a part in available customer base.

34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of a proposed rule(s) and a cost-benefit analysis of the proposed rule(s).

The sources used were from a body art workgroup created at the start of initial licensing program by MDHHS. This workgroup was composed of artists, shop owners, local public health inspectors, local public health administrators, medical professions and other state agencies with industry specific regulatory rules.

- A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rule(s).

Costs of tattoo equipment and supplies compiled by DHHS and various body art facilities. DHHS has the records of those licensed facilities in the state. The facility license, EGLE, and blood borne pathogens certificates are determined by the various departments that provide these licenses and certificates. Independent studies by the Pew Research Center, the National Environmental Health Association, the Association of Professional Piercers, Alliance of Professional Tattoo Artists, and an analysis of the then current LHD body art licensure fees compiled by the Michigan Association of Local Public Health.

Alternatives to Regulation:

35. Identify any reasonable alternatives to the proposed rule(s) that would achieve the same or similar goals. Include any statutory amendments that may be necessary to achieve such alternatives.

There are no known alternatives to the proposed rules. While local health departments attempt to ensure that current body art facilities conform to ordinary standards for the health, safety and welfare of Michigan citizens, an all-encompassing rule set will provide consistency and expectations of how the body art facility and industry is anticipated to perform their procedures with the least amount of disruption and cost.

- A. In enumerating your alternatives, include any statutory amendments that may be necessary to achieve such alternatives.

Statutory amendments under the Body Art Facilities statutes, MCL 333.13101 through 333.13112 would result in a large, cumbersome statute. The rules, which have the full force and effect of law, provide the detail required to compliment the statute that define the legal expectations and assists in removing confusion and interpretation issues of what is required in the day-to-day operations of a body art facility.

36. Discuss the feasibility of establishing a regulatory program similar to that in the proposed rule(s) that would operate through private market-based mechanisms. Include a discussion of private market-based systems utilized by other states.

It is unclear how a similar regulatory program would operate through a private market-based mechanism. The requirement of oversight for protection of the public health should not be delegated. Further, there are no known private market-base mechanisms in place in other states. The private market-based approach would be operating under a stringent for-profit motivation which could raise costs or fees to the body art facilities in order to satisfy regulatory reporting. The agency is unaware of any state that uses private, market-based systems for its body art program.

37. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rule(s). This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

No other alternatives would be acceptable to promote disease prevention.

Additional Information:

38. As required by MCL 24.245b(1)(c), describe any instructions on complying with the rule(s), if applicable.

The body art program uses a database of email and physical addresses for both LHDs and body art facilities to communicate issues as well as a state body art website.

 ↓ **To be completed by MOAHR** ↓

PART 4: REVIEW BY MOAHR

Date RIS received:	8-16-2019
Date RIS approved:	8/29/19
Date of RIS disapproval:	
Explanation:	