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FISCAL NOTE(Form 3)
(Office of Fiscal Analysis)
Analyst: LV/EG 6/19/92
tk
Version: 3

BILL NUMBER: sSB 71
FILE NUMBER:
AMENDMENTS: Senate "A"

TITLE: "AN ACT CONCERNING LICENSURE OF MASSAGE THERAPISTS"

FAVORABLY REPORTED BY Public Health and Finance, Revenue and Bonding, Appropriations

EFFECTIVE DATE: 10/1/92, except Sections 1 to 3, inclusive, shall take effect 7/1/93

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 71

STATE IMPACT Future Revenue Gain, Revenue Loss, see below
MUNICIPAL IMPACT None
STATE AGENCY(S) Department of Health Services, Department of Revenue Services

	Current FY	1992-93	1993-94
State Cost (savings)	:	:	:
St Revenue (loss)	:	:(150,000)	: 136,000 :(200,000)
Net St Cost (savings)	:	:	:
Municipal Impact	:	:	:

EXPLANATION OF ESTIMATES:

STATE IMPACT: It is anticipated that passage of this bill as amended would result in a future revenue gain and a revenue loss to the State.

The bill as amended would establish licensing fees which would generate General Fund revenues beginning in SFY 1993-94. Based on a projected volume of 400 applicants seeking licensure as massage therapists in the initial year of program operations (FY 1993-94), total revenues of \$136,000 are expected to be generated (\$120,000 from initial license application fees [\$300 x 400] and \$16,000 from annual license renewal fees [\$100 x 160]). For subsequent years, the volume of initial license applications are expected to decrease

significantly, while the volume of annual license renewals are expected to increase significantly. It should be noted the DOHS has not instituted the massage therapist certification program currently in statute. Therefore, no application fees have been collected to date.

Effective October 1, 1991, the services of massage therapists became subject to the State Sales Tax of 6%, as provided under Section 103 of PA 91-3 of the June Special Session. As Section 4 of this bill as amended would exempt the services of licensed massage therapists from the 6% State Sales Tax, it is estimated that passage of this bill would result in a \$150,000 revenue loss in FY 1992-93, and a \$200,000 revenue loss in FY 1993-94 and each subsequent year.

Senate "A" delays implementation of the massage therapist licensure program until October 1, 1993. The original bill called for the licensure program to be operational by October 1, 1992. Also, the amendment, effective June 1, 1993, increases the initial licensure application fee for massage therapists from \$100 to \$300.

The amendment eliminates the \$26,400 SFY 1992-93 cost associated with the original bill, as it delays implementation of the massage therapist licensure program until SFY 1993-94. It is anticipated that the Department of Health Services will be able to redeploy staff provided within SA 92-13 (the Appropriations Act) for the licensure of physician assistants to the massage therapist licensure program in SFY 1993-94. Thus, no additional resources will be required to implement the bill as amended.

Additionally, an SFY 1992-93 revenue loss of \$56,000 will ensue since fees shall not be collected until the subsequent fiscal year.

An SFY 1993-94 revenue gain, which exceeds that associated with the original bill by \$88,500, is associated with the amendment. An additional \$200 will be raised from each of 400 initial applicants [\$80,000], and \$100 from each of 85 additional therapists seeking license renewal.

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