

1108

FISCAL NOTE(Form 3)
(Office of Fiscal Analysis)
Analyst: LV/EG 4/24/92
tk
Version:

BILL NUMBER: sSB 71
FILE NUMBER:
AMENDMENTS:

TITLE: "AN ACT CONCERNING LICENSURE OF MASSAGE THERAPISTS"

FAVORABLY REPORTED BY Public Health and Finance, Revenue and Bonding

EFFECTIVE DATE: 10/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 71

STATE IMPACT Cost, 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)	:	: 26,400	: 26,400
St Revenue (loss)	:	: 56,000 :(150,000)	: 47,500 :(200,000)
Net St Cost (savings)	:	: 120,400	: 178,900
Municipal Impact	:	:	:

EXPLANATION OF ESTIMATES:

STATE IMPACT: It is anticipated that passage of this bill would result in additional costs to the Department of Health Services (DOHS) and a revenue gain and a revenue loss to the State. In order to establish a licensing program for massage therapists and to conduct the associated licensure duties, the DOHS would incur annual estimated personnel and other resources costs of \$26,400, including the services of one (1) Senior Clerk with a projected FY 1992-93 annual base salary of \$21,084.

The bill would establish licensing fees which would generate General Fund revenues. Based on a projected volume of 400 applicants seeking licensure as massage therapists in the initial year of program operations (FY 1992-93), total revenues of \$56,000 are expected to

be generated (\$40,000 from initial license application fees [\$100 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 is estimated that \$47,500 in revenues would be generated in FY 1993-94 (\$7,500 from initial license applications [\$100 x 75] and \$40,000 from annual license renewal fees [\$100 x 400]). It should be noted the DOHS has not instituted the massage therapist certification program currently in the statutes. 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 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.