

March 18, 2021

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 352C-S
Topeka, Kansas 66612

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2400 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2400 is respectfully submitted to your committee.

HB 2400 would create the Massage Therapist Licensure Act. The bill would require the State Board of Healing Arts to regulate and license massage therapists practicing in Kansas. The bill would include requirements for licensure and the maximum fees that could be charged for application and licensing. The bill would outline the powers, duties and functions of the Board regarding the regulation and licensure of massage therapists. The bill would establish a Massage Therapy Advisory Committee that would consist of six members. The Committee would advise and assist the Board in implementing the Act. The bill also would require a licensed massage therapist to maintain professional liability insurance coverage.

On and after September 1, 2023, any person who practices massage therapy without a license would be subject to a class B person misdemeanor under the Kansas Consumer Protection Act. The bill would also allow the Board to assess a civil fine for unprofessional conduct. For any fees, charges, or penalties received under the Act, the State General Fund would receive 10.0 percent and the Board would receive the remaining 90.0 percent.

All applicants would be fingerprinted, and those fingerprints would be submitted to the Kansas Bureau of Investigation and the Federal Bureau of Investigation. Local and state law enforcement would assist in taking and processing the fingerprints of applicants. The Board would set a fee for fingerprinting to reimburse any related expenditures.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	\$150,000
Expenditure	--	--	--	\$104,011
FTE Pos.	--	--	--	1.50

The State Board of Healing Arts states that it would require 1.50 FTE positions at a cost of \$104,011 from the Healing Arts Fee Fund in FY 2022. Of this amount, \$32,371 would be for a 0.50 Legal Assistant FTE position, \$53,980 would be for 1.00 Licensing Analyst FTE position, \$1,260 would be for publication costs, and \$16,400 would be for office equipment, internet, software and phone lines. There are approximately 2,500 massage therapists in Kansas and if 75.0 percent obtain a license, the agency estimates it would generate \$150,000 (2,500 current therapists x 75.0 percent x \$80 licensure fee) into its Healing Arts Fee Fund in FY 2022.

The Insurance Department states that the bill would expand the number of people that would be required to maintain professional liability insurance. The agency does not have an estimate of how many people would choose to become licensed or the amount insurers would charge for the required insurance. The bill would result in an increase of premium taxes collected from insurance companies, as premiums could be higher for the increased insurance liability limits. The agency would retain 1.0 percent of any additional premium tax collected from enactment of the bill and the remainder would be remitted to the State General Fund. However, the fiscal effect cannot be estimated because the amount of additional premium taxes that would be collected is unknown.

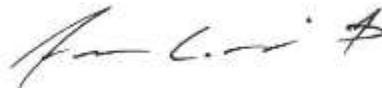
The Office of Judicial Administration states that HB 2400 could increase the number of cases filed in district court because the bill creates a new crime which would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Since the crime carries a misdemeanor penalty, there could also be more supervision of offenders required to be performed by court services officers. The bill could also result in the collection of additional docket fees, supervision fees, and fines assessed. However, the agency cannot estimate the fiscal effect of the bill on agency expenditures or revenues.

The Office of the Attorney General (OAG) states that it could perform enforcement functions under the Kansas Consumer Protection Act. The OAG also states that violations under the Kansas Consumer Protection Act could result in civil penalties. However, the agency cannot estimate the number of cases it would assist with or the amount of civil penalties.

The Kansas Bureau of Investigation states the any additional revenue it would receive from processing record checks would be offset by expenditures related to staffing and maintaining required systems. Any fiscal effect associated with HB 2400 is not reflected in *The FY 2022 Governor's Budget Report*.

The League of Kansas Municipalities indicates the bill could affect cities as law enforcement could assist in enforcement of the Act. However, the fiscal effect is unknown. The Kansas Association of Counties indicates that there could be a fiscal effect if existing businesses are unable to obtain the necessary licensure or new businesses are opened. However, a fiscal effect cannot be estimated.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Susan Gile, Board of Healing Arts
Debbie Thomas, Judiciary
Wendi Stark, League of Municipalities
Jay Hall, Association of Counties
Willie Prescott, Office of the Attorney General
Paul Weisgerber, KBI
Bobbi Mariani, Insurance
Karen Clowers, Legislative Services