

March 8, 2022

The Honorable Richard Hilderbrand, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 142-S
Topeka, Kansas 66612

Dear Senator Hilderbrand:

SUBJECT: Fiscal Note for SB 531 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 531 is respectfully submitted to your committee.

SB 531 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, 2024, 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 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Revenue	--	--	--	\$150,000
Expenditure	--	--	--	\$248,056
FTE Pos.	--	--	--	3.00

The State Board of Healing Arts states that it would require 3.00 FTE positions and \$248,056 from the Healing Arts Fee Fund in FY 2023 to support the provisions of the bill. Of this amount, \$64,741 would be for a 1.00 Legal Assistant FTE position, \$53,980 would be for 1.00 Licensing Analyst FTE position, \$103,475 would be for an Assistant General Counsel FTE position, \$1,260 would be for publication costs, and \$24,600 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 2023.

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. 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, but the agency does anticipate it would be minimal.

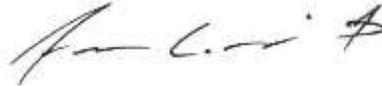
The Office of Judicial Administration states that SB 531 could increase the number of cases filed in district court because the bill creates a new crime which would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Since the crime 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, a fiscal effect cannot be determined because the number of additional cases cannot be estimated.

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

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 SB 531 is not reflected in *The FY 2023 Governor's Budget Report*.

The League of Kansas Municipalities indicates the bill could affect cities as law enforcement could assist in implementation and enforcement of the Act. However, the fiscal effect is unknown. The Kansas Association of Counties states that the bill would not have a fiscal effect.

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
Vicki Jacobsen, Judiciary
Wendi Stark, League of Municipalities
Jay Hall, Association of Counties
Willie Prescott, Office of the Attorney General
Paul Weisgerber, KBI
Bobbi Mariani, Insurance