## Louisiana Legislative Auditor Fiscal Notes

## OFFICE OF LEGISLATIVE AUDITOR **Fiscal Note**

SB Fiscal Note On: **221** SLS 25RS 177

Bill Text Version: REENGROSSED Opp. Chamb. Action: w/ HSE COMM AMD

Proposed Amd.:

Sub. Bill For.:

Date: May 28, 2025

12:21 PM

Author: MIZELL

Dept./Agy.: Board of Massage Therapy

Subject: Licensing, Inspections, and Reporting

**Analyst:** Courtney Stevenson

FEES/LICENSES/PERMITS RE1 +\$82,200 SG RV See Note Provides relative to massage therapy. (8/1/25)

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Purpose of Bill: This bill amends the regulations governing the Louisiana Board of Massage Therapy (Board) to: (1) require unannounced, in-person inspections of establishments receiving complaints of illicit activity within 10 days of receipt of the complaint; (2) expand criminal background checks to include establishment licensees and applicants; (3) require federal and state background checks on renewing applicants who have not previously submitted one to the Board; (4) prohibit a massage establishment from being used as a domicile, shelter, or sleeping quarters unless zoned for residential use; (5) require that the establishment license be revoked if the owner, manager, or supervisor of a massage establishment violates laws related to the operation of a massage establishment; (6) prohibit the issuance of an occupational license, permit, or establishment license for a massage establishment at the same address or premises of a revoked license; and (7) require data regarding complaints, inspections, and licenses to be reported to the legislature annually.

| EXPENDITURES   | 2025-26  | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|----------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Agy. Self-Gen. | \$4,600  | \$1,300 | \$1,300 | \$1,300 | \$1,300 | \$9,800       |
| Ded./Other     | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Federal Funds  | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Local Funds    | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Annual Total   | \$4,600  | \$1,300 | \$1,300 | \$1,300 | \$1,300 | \$9,800       |
| REVENUES       | 2025-26  | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Agy. Self-Gen. | \$82,200 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$88,600      |
| Ded./Other     | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Federal Funds  | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Local Funds    | \$0      | \$0     | \$0     | \$0     | \$0     | \$0           |
| Annual Total   | \$82,200 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$88,600      |

## **EXPENDITURE EXPLANATION**

This bill is anticipated to increase annual expenditures for the Louisiana Board of Massage Therapy (Board) by approximately \$4,600 in 2025-26 and \$1,300 annually thereafter.

Background Checks: For 2025-26, the Board estimates 3,100 renewing therapist or establishment licensees will require an additional background check as the bill requires both state and federal checks (historically, one or the other sufficed). In addition, the Board estimates 60 additional checks per year may be needed for new establishment licensees. The Board anticipates that this workload may increase Board overtime expenditures by \$3,300 in 2025-26, but that the additional checks annually thereafter would have minimal impact on its expenditures. The Louisiana Department of Public Safety (DPS) anticipates no expenditure impact, as third parties process the checks.

Reporting to Legislature: The Board estimates that the bill's annual reporting requirements may require 40 overtime hours for data compilation and report preparation, which may increase Board expenditures by approximately \$1,300 annually.

Inspections: A Board official indicated that the requirement for inspections within 10 days is not expected to impact Board expenditures, as this provision primarily alters inspection timing rather than increasing their total number.

This bill may increase annual agency self-generated revenue for the Louisiana Department of Public Safety (DPS) by \$82,200 in FY 2025-26 and \$1,600 annually thereafter.

Background Checks: A Board official indicated the additional background checks provided by the bill are not expected to impact Board revenue as the Board does not receive any fees associated with these background checks. A DPS official indicated that they receive a \$26 fee for each background check processed. Based on the Board's estimate of approximately 3,100 background checks for renewing applicants requiring background checks in 2025-26 as a result of the bill, DPS revenue may increase by approximately \$80,600 in that year (3,100 checks \* \$26 fee/check). The board also estimated 60 new establishment licenses annually that will also require background checks under the bill, resulting in additional annual revenues of approximately \$1,600 for DPS.

Note: The number of background checks has been updated from previous fiscal notes to account for individuals who hold both establishment licenses and professional licenses, resulting in a decrease in expenditure and revenue figures above.

| Senate <u>Dual Referral Rules</u> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | House   | M. G. Battle                                    |
|--|---|---|
| 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}                             | 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | Michael G. Battle<br>Manager, Advisory Services |