



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3561 Introduced on January 12, 2021
Author: Thayer
Subject: Massage Therapy Practice
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Coomer and Gardner
Impact Date: January 27, 2021

Fiscal Impact Summary

The fiscal impact of this bill is pending, contingent upon a response from the Department of Labor, Licensing and Regulation (LLR) and the State Law Enforcement Division (SLED).

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill creates the Board of Massage Therapy (board) in place of the Panel for Massage/Bodywork (panel) under the administration of LLR. This bill provides for the powers, duties, and terms of the board, related duties of LLR, necessary definitions in regards to the Massage Therapy Practice Act, and procedures and requirements for licensure. Under current law, the panel holds many of the same powers and duties of the new board but must also provide for or contract the examination of applicants for licensure, keep an accurate record of each examination, and prepare and submit to the Governor an annual report on the administration of the Massage Therapy Practice Act. These provisions are removed in the bill.

Additionally, this bill requires applicants to undergo a state criminal history records check, including fingerprinting, and a national criminal records check. The costs of conducting these checks shall be paid by the applicant.

Department of Labor, Licensing and Regulation. The department is required to provide administrative, fiscal, investigative, inspectional, clerical, secretarial, and license renewal operations and activities of the board. Additionally, the board is composed of seven members who must meet at least twice a year. Under current law, there is no requirement for yearly meetings. Furthermore, new application processes are created for individual massage therapists, for massage therapy establishments, and for sole practitioner establishments. These provisions may increase LLR expenditures due to increased administrative and regulatory duties. The expenditure impact of this bill on LLR is pending, contingent upon a response from the agency.

State Law Enforcement Division. The expenditure impact of this bill on SLED is pending, contingent upon a response from the agency.

State Revenue

Department of Labor, Licensing and Regulation. This bill provides penalties, provides requirements for licensure by endorsement, allows for temporary massage practice under a manner prescribed by the board, and updates the licensure fee schedule. Administrative penalties for violations are increased from a maximum of \$1,000 under current law to \$5,000 per offense. Additionally, disciplinary fines are increased from a maximum of \$500 under current law to \$5,000 per offense. The bill also details a new \$50,000 fine for practicing without a license or submitting false information to obtain a license. LLR is authorized to recoup its costs of investigation and prosecution from violators.

For a detailed listing of fee changes, see Figure 1. LLR is required, pursuant to Section 40-1-50(D), to adjust fees biennially to ensure that fee revenue is sufficient, but not excessive, to cover expenses of each respective board.

Figure 1. Fee Table

Fee	Original Amount	New Amount
Initial license application fee	\$50	\$150
Continuing education provider fee	\$50	\$100
Initial licensure fee	\$100	N/A
Endorsement application fee	N/A	\$250
Reexamination fee	\$250	N/A
Application and provisional licensure fee	\$200	N/A
Establishment initial license application fee	N/A	\$150
Biennial establishment license renewal fee	N/A	\$200
Establishment license reinstatement fee	N/A	\$250
Sole practitioner establishment initial license application fee	N/A	\$50
Biennial sole practitioner establishment initial license renewal fee	N/A	\$100
Sole practitioner establishment license reinstatement fee	N/A	\$150

In addition, the board will fall under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2020-21 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures.

The revenue impact of this bill on the General Fund and the Other Funds of LLR is pending, contingent upon a response from the agency.

State Law Enforcement Division. This bill may increase the number of state criminal records checks that SLED is required to perform. Pursuant to Section 23-3-115(A), revenue generated by state criminal records checks performed by SLED up to an amount of \$4,461,000 must be

deposited in the General Fund. Any revenue over that amount is retained by SLED. The revenue impact of this bill on the General Fund and the Other Funds of SLED is pending, contingent upon a response from the agency.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director