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**TITLE 847 STATE BOARD OF MASSAGE THERAPY**

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**Economic Impact Statement**

LSA Document #08-352

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

IC 25-21.8-3-1, enacted in 2007 (P.L.200-2007), requires the State Board of Massage Therapy (Board) to adopt rules establishing reasonable fees for examination, certification applications, renewal of certifications, and other services related to the certification of massage therapists. In addition, IC 25-21.8-4 requires that an application for certification be accompanied by a fee set by the Board. LSA Document #08-352 establishes the fee rules. General rules regarding certification to practice massage therapy are included in LSA Document #08-351.

**Impact on Small Businesses****1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule:**

NAICS CODE 812199            Massage Parlors  
NAICS CODE 621399            Massage Therapists' offices

IC 4-22-2.1-4 provides that "small business" means any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

The types of small businesses most likely to be affected by this proposed rule are independent massage businesses, spas, beauty salons, occupational therapy and physical therapy clinics, long term care facilities, hospice or home care agencies, hospital based clinics, chiropractic offices, dental offices, hotels, and athletic departments of some schools that provide massage therapy services.

**2. Estimate of the average annual reporting, record keeping, and other administrative costs that small business will incur to comply with the proposed rule:**

There are no reporting requirements or recordkeeping expenditures under this proposed rule.

**3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule:**

Although data is not available which would enable the Board to definitively determine the economic impact, the Board anticipates that in the first calendar year of operation, it will receive approximately 4,750 applications with a cost of \$100 per initial application. First year revenue is expected to be \$475,000, all of which will be deposited in the general fund.

There are currently 30 massage therapy schools in Indiana with an average of 48 graduates from each school per year. Therefore, in subsequent years, revenue from applications for certification is expected to be \$144,000. Beginning in 2013, the Board will begin collecting fees for certification renewal at a rate of \$37.50 per year for renewal fees (4,750 renewals × \$37.50 per year = \$178,125). Therefore, beginning in 2013, the total annual estimated economic impact is approximately \$322,125.

**4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; or any other state or federal law:**

IC 25-21.8-3-1, enacted in 2007 (P.L.200-2007), requires the Board to adopt rules establishing reasonable fees for examination, certification applications, renewal of certifications, and other services related to the certification of massage therapists. In addition, IC 25-21.8-4 requires that an application for certification be accompanied by a fee set by the board.

**5. Regulatory flexibility analysis:****Consideration of alternative methods of achieving the purpose of the proposed rule:**

The Board did not consider alternatives as it is required by statute to establish the rule.

**6. Conclusion:**

By passing legislation requiring the certification of massage therapists in 2007, the Indiana General Assembly recognized a need to provide a level of protection to consumers of massage therapy services. The Board is

charged with the duty of certifying individuals to practice and with the duty of imposing discipline upon those certificate holders who violate the statutes and rules of the Board. While the fees will generate revenue for the state to operate the Board and provide related services, the impact on small businesses will not be substantial. The initial application fee is \$100 per person, which will be paid by individual applicants for certification. It is possible that an employer would pay this fee on behalf of the employee. The certificates will be renewed at a cost of \$150 per certificate holder every four years. This amounts to \$37.50 per year in order to maintain the certification.

**7. Supporting Data, Studies, or Analyses:**

The agency considered data gathered from the American Massage Therapy Association (AMTA), the American Medical Massage Association (AMMA), the Associated Bodywork and Massage Professionals (ABMP), as well as fees assessed by the massage therapy regulatory bodies in the states of Illinois, Kentucky, Ohio, and Tennessee.

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