

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 8, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: RESOLUTION FOR ADOPTION OF INCREASED PERMIT FEES
RELATING TO MASSAGE OPERATIONS

ISSUE: Council consideration of a resolution: 1) increasing the annual permit application fee for massage establishments from \$25 to \$100 for the period from the date of issuance until February 14 of the year after the year of issuance; 2) increasing the annual permit application fee for holders of home massage permits from \$25 to \$100; 3) increasing the permit application fee for massage therapists from \$25 to \$250 for the period from the date of issuance until February 14 of the year five years after the year of issuance; 4) establishing a plan review fee of \$100 for massage establishments; 5) establishing a massage therapist permit reinstatement fee of \$60; and 6) establishing a \$25 late payment fee for massage establishment owners, home massage permit holders, and massage therapists that pay their permit renewal application fee more than 14 days late.

RECOMMENDATION: That City Council adopt the proposed resolution which would be effective on January 1, 2010.

DISCUSSION: Permit fees for massage establishments, home massage therapy and massage therapists have been unchanged since 1998. The cost of issuing these permits and inspecting the massage establishments exceeds the revenue generated by permit fees. This fee increase will allow the Alexandria Health Department's Environmental Health Division to recoup a larger percentage of the cost of administering the Massage Therapy Program and will make this program approximately self-supporting.

The ordinance increases the permit period for massage therapist permits from two to five years to reduce administrative paperwork for the therapists. Implementation of a five-year permit for massage therapists, a massage therapist permit reinstatement fee and a late payment fee should also reduce administrative overhead in the Health Department by reducing billings, late payment notices, and permit suspension notices.

FISCAL IMPACT (see below chart): It is estimated that the adoption of the increased massage establishment permit application fee will generate approximately \$4,200 in additional revenue for the City annually. It is estimated that the increased massage therapist permit application fees will generate approximately \$3,825 in additional revenue for the City annually. There are currently no active home massage permits in the City. It is estimated that establishment of a plan review fee for massage establishments will generate approximately \$600 in new revenue annually. It is estimated that establishment of a massage therapist permit reinstatement fee will generate approximately \$660 annually. It is estimated that the adoption of the late payment fee will generate approximately \$200 in additional revenue for the City annually.

Fees for Massage Therapy Program (\$9,485 in new revenue)

	#	Current Annual Fee	Annual Fee Increase	Total Annualized Fee	Added Annual Revenue	Permit Period in Years	Fee for Life of Permit
Massage Therapists	153	\$25	\$25	\$50	\$3,825	5	\$250
Massage Establishments	56	\$25	\$75	\$100	\$4,200	1	\$100
Home Massage Permits	0	\$25	\$75	\$100	\$0	1	\$100
Plan Review - Massage	6	\$0	\$100	\$100	\$600	N/A	N/A
Massage Therapist Permit Reinstatement Fee	11	\$0	\$60	N/A	\$660	N/A	N/A
Late Payment Fees - Massage	8	\$0	\$25	N/A	\$200	N/A	N/A
TOTAL					\$9,485		

The estimated number of therapists and establishments is based on the number currently under permit. The estimated number of plan reviews for massage establishments is based on the typical number of new massage therapy establishments permitted over the last several years. There is currently no fee for plan review of massage therapy establishments.

Current revenue for this program in FY10 is estimated at \$8,025. With these proposed fee increases, revenue for FY11 will increase to approximately \$17,510. The revenue in FY 2010 is not included in the FY 2010 approved budget and will result in additional revenue. The FY 2011 projected revenue will be included in the FY 2011 approved budget.

ATTACHMENTS:

Attachment 1. Proposed Resolution

Attachment 2. Current Fees for Similar Permits in Surrounding Jurisdictions

STAFF:

Lisa Kaplowitz, MD, MSHA, Director, Alexandria Health Dept.

Bob Custard, Environmental Health Division Chief, Alexandria Health Dept.

Mary Elliott O'Donnell, Assistant City Attorney

RESOLUTION NO. ____

**Resolution to Adopt Increased Permit Fees
and Late Payment Fees for Massage Establishment Permits,
Home Massage Permits, and Massage Therapist Permits**

WHEREAS, pursuant to Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City of Alexandria (“City”); and

WHEREAS, the City has not increased the fees for massage therapist permits, massage establishments permits or home massage permits since 1998; and

WHEREAS, the costs incurred by the City in permitting and regulating massage therapists and massage establishments exceed the revenues generated by the permit fees charged for these permits; and

WHEREAS, the City has not previously charged a fee for reviewing plans for proposed massage establishments; and

WHEREAS, the City incurs a cost in reviewing these plans; and

WHEREAS, there is currently a substantial unrecovered administrative cost associated with suspending and reinstating massage therapist permits; and

WHEREAS, the City has not charged massage therapists, massage establishments or holders of home massage permits a late payment fee when they are late in paying their permit application renewal fee; and

WHEREAS, the Environmental Health Division is expending a considerable amount of resources trying to elicit payment for permit application renewal fees; and

WHEREAS, the late payment fee is in addition to the City fees charged to these establishments and therapists; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alexandria, Virginia:

1. That an annual permit application fee of \$100.00 be charged to each applicant for a massage establishment permit and that said permit shall be valid for a period from the date of issuance until February 14 of the year after the year of issuance.
2. That an annual permit application fee of \$100.00 be charged to each applicant for a home massage permit.

3. That a permit application fee of \$250.00 be charged to each applicant for a massage therapist permit and that said permit shall be valid for a period from the date of issuance until February 14 of the year five years after the year of issuance.
4. That a plan review fee of \$100.00 be charged to each applicant for a permit for a new massage establishment.
5. That a permit reinstatement fee of \$60.00 be charged to each massage therapist that has had their massage therapist permit suspended and applies to have their permit reinstated.
6. That a late payment fee of \$25.00 shall be assessed to each massage therapist, massage establishment, and holder of a home massage permit that pays their permit renewal application fee more than 14 days late.
7. That Sections 1, 2, 3, 4, 5 and 6 of this resolution shall be effective January 1, 2010.

ADOPTED:

WILLIAM D. EUILLE
MAYOR

ATTEST:

Jacqueline M. Henderson, CMC, City Clerk

CURRENT FEES FOR SIMILAR PERMITS IN SURROUNDING JURISDICTIONS

Fees for Permits for Massage Therapy Establishments in Other Localities

<u>MARYLAND</u>	<u>Length</u>	<u>Initial</u>	<u>Renewal</u>	<u>Other Fees</u>	<u>Description</u>
All Jurisdictions					No local permits
<u>VIRGINIA</u>	<u>Length</u>	<u>Initial</u>	<u>Renewal</u>	<u>Other Fees</u>	<u>Description</u>
Arlington County					No local permit
Fairfax County					No local permit
Fauquier County					No local permit
Loudoun County					No local permit
Prince William County	1 year	\$204	\$153		
<u>WASHINGTON, DC</u>	<u>Length</u>	<u>Initial</u>	<u>Renewal</u>	<u>Other Fees</u>	<u>Description</u>
					No local permit

Fees for Permits for Massage Therapists in Other Localities

<u>MARYLAND</u>	<u>Length</u>	<u>Initial</u>	<u>Renewal</u>	<u>Other Fees</u>	<u>Description</u>
All Jurisdictions					No local permits
<u>VIRGINIA</u>	<u>Length</u>	<u>Initial</u>	<u>Renewal</u>	<u>Other Fees</u>	<u>Description</u>
Arlington County	2 years	\$50	\$20	\$10	Background investigation
Fairfax County					No local permit
Fauquier County					No local permit
Loudoun County	1 year	\$100	\$50		
Prince William County					No local permit
<u>WASHINGTON, DC</u>	<u>Length</u>	<u>Initial</u>	<u>Renewal</u>	<u>Other Fees</u>	<u>Description</u>
		\$177	\$177	\$85	Application Fee
				\$229	Reinstatement Fee
				\$177	Paid Inactive Status
				\$85	Late Renewal Fee