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FISCAL IMPACT REPORT

SPONSOR: SPAC DATE TYPED: 02/27/03 HB _____
 SHORT TITLE: Naprapathic Practice Act SB 255/SPACS
 ANALYST: Martinez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$20.0		\$28.5	Recurring	OSF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB312

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$20.0	See Narrative	Recurring	OSF

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

The Senate Public Affairs Committee Substitute for Senate Bill 255 primarily enacts the Naprapathic Practice Act and describes exceptions to licensure, the practice of naprapathy, education and professional qualifications, application procedures, designation as a naprapath, and license display. The Naprapathic Practice Board is created, to be comprised of five members, all residents of New Mexico, of which three would be naprapaths, licensed in New Mexico or another state. Board members would be appointed by the Governor for four-year terms and would report to the superintendent of the Regulation and Licensing Department. A naprapathy fund is created in the state treasury through licensure fees collected that shall not exceed one thousand dollars (\$1,000.00) per individual. Any unexpected or unencumbered balance at the end of each fiscal year would not revert to the general fund. Finally, this bill describes administrative hearings,

offenses and criminal penalties for those who practice naprapathy without a license, and civil penalties for anyone who intentionally violates the provisions of the Naprapathic Practice Act.

According to the Advocate Healthcare's website, "Naprapathy is considered to be alternative medicine like chiropractic, acupuncture, and massage therapy. It uses therapeutic and rehabilitative exercise, postural counseling, nutritional counseling, and the use of the effective properties of physical measures of heat, cold, light, water, radiant energy, electricity, sound and air, and assistive devices for the purpose of preventing, correcting, or alleviating a physical ailment."

The bill sets a sunset date of July 1, 2011 for the Board pursuant to the Sunset Act.

Significant Issues

1. Proponents of this legislation anticipate licensure base of twenty in the first year and nearly forty the year following. Upon enactment of this bill, proponents also plan to fully establish a naprapathic training school and plan to contribute in various ways to the southern part of the state.
2. Naprapathy is formally recognized and licensed only in Illinois. For this reason, there is little knowledge with the profession in New Mexico.
3. Naprapathy overlaps with and is difficult to clearly differentiate from several other professions regulated by RLD. Those most closely aligned are the chiropractors, doctors of oriental medicine, massage therapists, athletic trainers, and physical therapists.

FISCAL IMPLICATIONS

According to a revised analysis by RLD, the proposed naprapathy fund should be adequate to cover the cost of establishing and operating a regulatory board for naprapathy. It is estimated that the cost of setting up a naprapathy board, drafting regulations, conducting hearings, and attending to the various tasks necessary to set up a viable regulation program would cost \$48.5 in the first year and possibly less on a recurring basis. This includes funding for a full-time Administrator IV, travel expenses for four board meetings, travel for rule hearings statewide, and any overhead costs associated with setting up a new program.

Revenues are estimated at approximately \$20.0 in the first year, assuming that forty (40) licensees are issued a license at \$500 per license.

In addition, proponents of this bill estimate that in the event twenty applicants are licensed, with an average income of \$125.0, it would possibly generate \$4.0 in gross receipts taxes and \$80.0 in income tax returns for the State of New Mexico. This assumption is only true if the new licensees are residents of the New Mexico and practice in New Mexico.

ADMINISTRATIVE IMPLICATIONS

According to RLD establishing a new regulatory board is highly resource intensive.

MM/lb