



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
April 17, 2007

Honorable Members of the
Law and Legislation Committee

Title: Somatic Practitioners Establishment Permit

Location/Council District: City Wide

Recommendation: Approve revising City Code Chapter 5.124 to create a somatic practitioner establishment permit process and forward to the Mayor and City Council for adoption.

Contact: Brad Wasson, Revenue Manager, 808-5844

Presenters: Brad Wasson, Revenue Manager

Department: Department of Finance

Division: Revenue Division

Organization No: 1121

Description/Analysis

Issue: On February 6, 2007, Council Member Steve Cohn requested staff revise City code to allow different business models to conduct massage based on recent trends in the industry. Council Member Cohn specifically requested that the number of somatic practitioners per location be reviewed because of the different business models.

The City's somatic practitioner ordinance was crafted to allow independent massage therapists to practice massage if they met stringent education and background requirements. This permitting process has worked well for the practitioners as well as City officials. Somatic practitioners have now expressed interest in working as employees for salons and other such establishments which is problematic under current code.

Policy Considerations: The somatic practitioner permit and the proposed establishment permit are alternatives to the adult related establishment permit. The proposed ordinance would not replace the adult related restrictions on these

permits. Adequate controls will be maintained to insure that illicit activities do not occur at the establishments.

Environmental Considerations: Pursuant to Section 15378(b) (3), this is not a project under the California Environmental Quality Act.

Committee/Commission Action: None

Rationale for Recommendation: The somatic practitioner permit process has worked very well for practitioners, City staff and the citizens it protects. It has created a level of accountability that has kept illicit massage activity out of the City limits. The proposed somatic establishment permit builds upon the accountability developed with the practitioner permit, but places additional accountability on business owners. Citizens desire therapeutic massage and expect the city to regulate the practitioners and businesses that provide this service.

Financial Considerations: The staff recommendations will not have a significant financial impact on the city's operating budget. Should the Committee approve the proposed changes, staff will bring a resolution to the Mayor and the City Council to establish a somatic establishment permit fee.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: Brad Wasson
Brad Wasson, Revenue Manager

Approved by: Russell Fehr
Russell Fehr, Director of Finance

Recommendation Approved:

Gustavo F. Vina
GUSTAVO F. VINA
Assistant City Manager

Table of Contents:
Pg 1 Report

Attachments
1 3 Background
2 5 Redline Ordinance
3 10 Proposed Ordinance

Attachment 1

Background:

The Mayor and City Council adopted the somatic practitioner permit City Code section 5.124 in 1998. City staff worked with stakeholders for three years to develop an ordinance that would ensure individual therapists are dedicated to therapeutic massage. The permit process has worked extremely well. In the nine years administering the program, the City has not revoked a somatic practitioner permit for criminal activity. As of March 2007, 192 valid somatic practitioner permits issued.

When this permit process was developed, staff focused on the individual practitioner. The accountability is tied to them directly. The business model assumed the practitioner would lease space, go to client's locations or work as a contractor for a business. Individual practitioners and salon owners have contacted City staff to allow salon owners to hire somatic practitioners as employees and the salon would offer massage services and arrange for the somatic practitioner's massage appointments. Workers' compensation issues have made it difficult for the practitioners to operate as independent contractors in a salon environment because the owner directs their working hours and customer assignments.

The City has not allowed somatic practitioners to perform massage at a business establishment that offers massage services unless the business owner also has a somatic practitioner permit. If the business owner has a somatic permit, then they have completed a background check and demonstrated a commitment to therapeutic massage by meeting the training and educational requirements. Also, no more than 10 somatic practitioners can work at the same location under the current code.

On February 6, 2007, Council Member Steve Cohn requested staff analyze this issue and provide a recommendation to the Law and Legislative Committee that would allow different business models to conduct massage based on recent trends in the industry. Council Member Cohn specifically requested that the number of somatic practitioners per location be reviewed because of the different business models.

To accommodate this changing environment, staff is proposing the creation of a somatic practitioner establishment permit to hold business owners responsible for massage services conducted at their place of business by somatic practitioners who are hired as employees. The somatic practitioner employees working at an establishment would still be required to obtain the individual practitioner permit. Consequently, if illegal activity were to occur at the establishment by a practitioner, both the business owner and practitioner would be held accountable. Police Department staff has reviewed the ordinance and are supportive of staff's recommendations.

The major components of the proposed somatic establishment permit are listed below:

- The business owners will apply to the Department of Finance and a complete background check will be made by the police department consistent with the current practice for practitioners.

- The location must comply with all applicable codes which will trigger recommendations from building, zoning and fire code administrators.
- Individual Somatic Practitioners must designate in writing that the establishment location and name of business is where they will conduct massage.
- All massages arranged or conducted through the business, must be performed at the location on the permit.
- No more than 15 somatic practitioners can conduct massage at the establishment at the same time.
- The number of somatic practitioners that can designate an establishment as the business location they perform massage is unlimited.
- The business must maintain \$1,000,000 of general liability insurance.
- The business must maintain a log with the names of clients that received massage which can be inspected by enforcement officials.
- The business is prohibited from installing devices that monitor whether clients possess surveillance equipment which could hamper law enforcement investigations.

Staff conducted a stakeholder meeting on Monday, March 19, 2007. There was general agreement on the establishment permit proposal, except for the proposed requirement that the somatic employees could only practice at the business location and could not perform massages offsite. Law enforcement is concerned about the ability to hold the establishment permit holder accountable for massages not conducted on the premises. Staff reviewed this concern and modified the restriction so that the practitioner could not perform massage offsite in connection with the clients of the establishment. Therefore, a somatic practitioner could work both as an employee of an establishment as well as provide massage services at another location as an independent contractor as long as such "independent" services at another location was not arranged by the establishment.

The stakeholders also requested a change to the current restriction which prohibits clients from going to the practitioner's home for massages. This change is out of the scope of Council Member Cohn's original request and would also require a change to Section 17.224.010(C)(8) of the city zoning code and a recommendation by the Planning Commission. Consequently staff is not making a recommendation regarding this proposed change at this time. Should the committee desire, staff will analyze this issue and return to the Committee with a recommendation.

Attachment 2

DRAFT # 3- 3.30.07

ORDINANCE NO. _____

Adopted by the Sacramento City Council

Date Adopted

**AMENDING SECTIONS 5.124.010, 5.124.020, 5.124.030 AND 5.124.100 AND
ADDING SECTIONS 5.124.140, 5.124.150, 5.124.160 AND 5.124.170 OF CHAPTER
5.124 OF THE SACRAMENTO CITY CODE REGARDING SOMATIC
PRACTITIONERS' ESTABLISHMENTS**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. The title of Chapter 5.124 of the Sacramento City Code is amended to read as follows:

**Chapter 5.124 SOMATIC PRACTITIONERS AND ESTABLISHMENTS
ALTERNATIVE PERMIT PROCESS**

SECTION 2. Section 5.124.010 of the Sacramento City Code is amended to read as follows:

5.124.010. Applicability of chapter.

This chapter shall provide an alternative permit issuance process for massage technicians and massage establishments (that would otherwise be regulated pursuant to Chapter 5.04 if this title) that meet all of the qualifications and comply with all of the restrictions set forth in this chapter. A massage technician who obtains a permit under this chapter shall be referred to as a somatic practitioner. A massage establishment that obtains a permit under this chapter shall be referred to as a somatic practitioners' establishment.

SECTION 3. Section 5.124.020 is amended as follows:

A. Section 5.124.020 is amended to add a definition of "somatic practitioners' establishment" to read as follows:

"Somatic practitioners' establishment " means a business that for pecuniary compensation, consideration, hire or reward, offers massage or bodywork services and qualifies to obtain a valid permit pursuant to this chapter.

B. Except as specifically amended in this Section 3, all other provisions of Section 5.124.020 remain unchanged and full force and effect.

SECTION 4. Section 5.124.030, is hereby amended to read in its entirety as follows:

5.124.030 Permit required.

It is unlawful and a misdemeanor for any person to act as a somatic practitioner within the city without first obtaining a somatic practitioner permit pursuant to this chapter. It is unlawful and a misdemeanor for any business to operate as a somatic practitioners' establishment within the city without first obtaining a somatic practitioners' establishment permit pursuant to this chapter.

~~SECTION 5. Subsection H is added to Section 5.124.100 of the Sacramento City Code to read as follows:~~

~~H. Somatic practitioner permit holders that designate a somatic practitioners' establishment as the address of their business location are prohibited from designating or conducting massage/bodywork services at any other location.~~

SECTION 5. Section 5.124.140 is added to the Sacramento City Code to read as follows:

5.124.140 Application, issuance and term of somatic practitioners' establishment permits.

A. An application for a somatic practitioners' establishment permit shall be made to the city manager on a form provided by the city manager in the same manner and with the same information as prescribed in Section 5.124.050, with the following exceptions:

1. The somatic practitioner requirements in subsections (B)(9), (B)(10) and (B)(11) of Section 5.124.050 shall not apply unless the applicant is also applying for a somatic practitioner permit.
2. The applicant shall submit with its application evidence of the written consent by each somatic practitioner permit holder who will provide services as a somatic practitioner at the establishment that his or her designated business location is the location of the establishment.
3. The applicant shall submit with its application proof of liability insurance required by Section 5.124.150(E) of this chapter.
4. The location and design of the establishment must comply with all applicable city codes.

B. The city manager, or the city manager's designee (hereafter "the city manager") shall issue the permit, including such conditions on the permit as the city manager deems appropriate to protect the public health, safety and welfare, if all of the requirements for the permit are met, unless the city manager makes a finding as set out in Section 5.124.060(A). The city manager shall act on the application within thirty (30) days after receiving the recommendation of the chief of police. The failure of the city manager to act on the application within the time specified shall not constitute approval of the application.

C. An applicant aggrieved by the decision of the city manager relating to the issuance or denial of a somatic practitioners' establishment permit may appeal the decision in accordance with the provisions in Section 5.124.070. If an appeal is not filed within the time prescribed in Section 5.124.070, the decision of the city manager shall be final.

D. The term of a somatic practitioners' establishment permit shall be one year from the date of issuance. A new permit is required whenever there is a change in ownership or location of the establishment. Permits must be renewed in the same manner as provided in Section 5.124.080(B). The renewal application must include a current listing of all of the somatic practitioner permit holders that provide services at the establishment.

SECTION 6. Section 5.124.150 is added to the Sacramento City Code to read as follows:

5.124.150 Restrictions and requirements of somatic practitioners' establishment.

A somatic practitioners' establishment permit holder shall comply with all of the following:

A. Somatic practitioner permit holders providing services at the establishment must be properly licensed under this chapter and have designated the establishment as their business location.

B. No more than fifteen (15) somatic practitioner permit holders may provide services in the establishment at the same time, although the number of permit holders that designate the establishment as their business location is not limited.

C. The hours of operation are limited to between eight a.m. and ten p.m.

D. No more than one somatic practitioner shall provide massage/bodywork services to any person at the same time.

E. Maintain general liability insurance coverage in the minimum amount of one million dollars (\$1,000,000.00) per occurrence, and the policy must be endorsed to include all of the somatic practitioner permit holders who operate in the establishment.

F. Pay annually the applicable city business operations tax.

G. Display the somatic practitioners' establishment permit and the permits for each somatic practitioner permit holder operating in the establishment in a conspicuous location.

H. Maintain a log with the names of all clients that received massage/bodywork services at the establishment during the prior 12 month period by date, time and name of the somatic practitioner that provided the service. Permit inspection of this log by city personnel during business hours and without prior notice.

I. Not install any type of device that monitors whether clients possess surveillance equipment.

J. Not arrange for somatic practitioners working at the establishment to provide massage/bodywork services to clients or customers of the establishment at any location other than the establishment.

SECTION 7. Section 5.124.160 is added to the Sacramento City Code to read as follows:

5.124.160 Place of business of somatic practitioners' establishment.

Chapter 5.40 of this title notwithstanding, a massage establishment shall not be required to obtain an adult-related establishment permit if all of the following conditions are met:

A. A somatic practitioners' establishment permit has been issued for the establishment;

B. Only massage technicians holding a somatic practitioner permit provide massage or bodywork services in the establishment; and

C. No person required to be licensed under the provisions of Chapter 5.04 of this code owns or operates, provides services in, or is employed at, the establishment.

SECTION 8. Section 5.124.170 is added to Chapter 5.124 the Sacramento City Code to read as follows:

5.124.170 Suspension or revocation of somatic practitioners' establishment permit – Appeal.

A. Any somatic practitioners' establishment permit issued pursuant to this chapter may be revoked or suspended by the city manager, after a hearing, on the following grounds:

1. The permittee has failed to comply with any applicable provision of this chapter, any other provisions of this code or the city’s zoning ordinance, or any other local, state or federal law or regulations applicable to the establishment’s activities, or the permittee has committed a crime of moral turpitude;

2. The permittee has allowed the establishment to be conducted in such a manner as to constitute a nuisance or to be injurious to the public peace or morals; or

3. The permit for a somatic practitioner permit holder whose designated business location is at the establishment has been revoked or suspended in the manner provided in Section 5.124.090, and the revocation or suspension was based on a violation under this chapter that occurred either at the establishment or with the knowledge and consent of the permittee.

B. The process for appealing revocation or suspension of a somatic practitioners’ establishment permit shall be the same as set out in Section 5.124.090(B).

Adopted by the City of Sacramento City Council on _____ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

MAYOR

Attest:

City Clerk

Passed for Publication:

Published:

Effective:

Attachment 3

ORDINANCE NO. _____

Adopted by the Sacramento City Council

**AMENDING SECTIONS 5.124.010, 5.124.020, 5.124.030 AND 5.124.100 AND
ADDING SECTIONS 5.124.140, 5.124.150, 5.124.160 AND 5.124.170 OF CHAPTER
5.124 OF THE SACRAMENTO CITY CODE REGARDING SOMATIC
PRACTITIONERS' ESTABLISHMENTS**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. The title of Chapter 5.124 of the Sacramento City Code is amended to read as follows:

**Chapter 5.124 SOMATIC PRACTITIONERS AND ESTABLISHMENTS
ALTERNATIVE PERMIT PROCESS**

SECTION 2. Section 5.124.010 of the Sacramento City Code is amended to read as follows:

5.124.010. Applicability of chapter.

This chapter shall provide an alternative permit issuance process for massage technicians and massage establishments (that would otherwise be regulated pursuant to Chapter 5.04 if this title) that meet all of the qualifications and comply with all of the restrictions set forth in this chapter. A massage technician who obtains a permit under this chapter shall be referred to as a somatic practitioner. A massage establishment that obtains a permit under this chapter shall be referred to as a somatic practitioners' establishment.

SECTION 3. Section 5.124.020 is amended as follows:

A. Section 5.124.020 is amended to add a definition of "somatic practitioners' establishment" to read as follows:

"Somatic practitioners' establishment " means a business that for pecuniary compensation, consideration, hire or reward, offers massage or bodywork services and qualifies to obtain a valid permit pursuant to this chapter.

B. Except as specifically amended in this Section 3, all other provisions of Section 5.124.020 remain unchanged and full force and effect.

SECTION 4. Section 5.124.030, is hereby amended to read in its entirety as follows:

5.124.030 Permit required.

It is unlawful and a misdemeanor for any person to act as a somatic practitioner within the city without first obtaining a somatic practitioner permit pursuant to this chapter. It is unlawful and a misdemeanor for any business to operate as a somatic practitioners' establishment within the city without first obtaining a somatic practitioners' establishment permit pursuant to this chapter.

SECTION 5. Section 5.124.140 is added to the Sacramento City Code to read as follows:

5.124.140 Application, issuance and term of somatic practitioners' establishment permits.

A. An application for a somatic practitioners' establishment permit shall be made to the city manager on a form provided by the city manager in the same manner and with the same information as prescribed in Section 5.124.050, with the following exceptions:

1. The somatic practitioner requirements in subsections (B)(9), (B)(10) and (B)(11) of Section 5.124.050 shall not apply unless the applicant is also applying for a somatic practitioner permit.

2. The applicant shall submit with its application evidence of the written consent by each somatic practitioner permit holder who will provide services as a somatic practitioner at the establishment that his or her designated business location is the location of the establishment.

3. The applicant shall submit with its application proof of liability insurance required by Section 5.124.150(E) of this chapter.

4. The location and design of the establishment must comply with all applicable city codes.

E. The city manager, or the city manager's designee (hereafter "the city manager") shall issue the permit, including such conditions on the permit as the city manager deems appropriate to protect the public health, safety and welfare, if all of the requirements for the permit are met, unless the city manager makes a finding as set out in Section 5.124.060(A). The city manager shall act on the application within thirty (30) days after receiving the recommendation of the chief of police. The failure of the city

manager to act on the application within the time specified shall not constitute approval of the application.

F. An applicant aggrieved by the decision of the city manager relating to the issuance or denial of a somatic practitioners' establishment permit may appeal the decision in accordance with the provisions in Section 5.124.070. If an appeal is not filed within the time prescribed in Section 5.124.070, the decision of the city manager shall be final.

G. The term of a somatic practitioners' establishment permit shall be one year from the date of issuance. A new permit is required whenever there is a change in ownership or location of the establishment. Permits must be renewed in the same manner as provided in Section 5.124.080(B). The renewal application must include a current listing of all of the somatic practitioner permit holders that provide services at the establishment.

SECTION 6. Section 5.124.150 is added to the Sacramento City Code to read as follows:

5.124.150 Restrictions and requirements of somatic practitioners' establishment.

A somatic practitioners' establishment permit holder shall comply with all of the following:

K. Somatic practitioner permit holders providing services at the establishment must be properly licensed under this chapter and have designated the establishment as their business location.

L. No more than fifteen (15) somatic practitioner permit holders may provide services in the establishment at the same time, although the number of permit holders that designate the establishment as their business location is not limited.

M. The hours of operation are limited to between eight a.m. and ten p.m.

N. No more than one somatic practitioner shall provide massage/bodywork services to any person at the same time.

O. Maintain general liability insurance coverage in the minimum amount of one million dollars (\$1,000,000.00) per occurrence, and the policy must be endorsed to include all of the somatic practitioner permit holders who operate in the establishment.

P. Pay annually the applicable city business operations tax.

Q. Display the somatic practitioners' establishment permit and the permits for each somatic practitioner permit holder operating in the establishment in a conspicuous location.

R. Maintain a log with the names of all clients that received massage/bodywork services at the establishment during the prior 12 month period by date, time and name of the somatic practitioner that provided the service. Permit inspection of this log by city personnel during business hours and without prior notice.

S. Not install any type of device that monitors whether clients possess surveillance equipment.

T. Not arrange for somatic practitioners working at the establishment to provide massage/bodywork services to clients or customers of the establishment at any location other than the establishment.

SECTION 7. Section 5.124.160 is added to the Sacramento City Code to read as follows:

5.124.160 Place of business of somatic practitioners' establishment.

Chapter 5.40 of this title notwithstanding, a massage establishment shall not be required to obtain an adult-related establishment permit if all of the following conditions are met:

D. A somatic practitioners' establishment permit has been issued for the establishment;

E. Only massage technicians holding a somatic practitioner permit provide massage or bodywork services in the establishment; and

F. No person required to be licensed under the provisions of Chapter 5.04 of this code owns or operates, provides services in, or is employed at, the establishment.

SECTION 8. Section 5.124.170 is added to Chapter 5.124 the Sacramento City Code to read as follows:

5.124.170 Suspension or revocation of somatic practitioners' establishment permit – Appeal.

B. Any somatic practitioners' establishment permit issued pursuant to this chapter may be revoked or suspended by the city manager, after a hearing, on the following grounds:

4. The permittee has failed to comply with any applicable provision of this chapter, any other provisions of this code or the city's zoning ordinance, or any other local, state or federal law or regulations applicable to the establishment's activities, or the permittee has committed a crime of moral turpitude;

5. The permittee has allowed the establishment to be conducted in such a manner as to constitute a nuisance or to be injurious to the public peace or morals; or

6. The permit for a somatic practitioner permit holder whose designated business location is at the establishment has been revoked or suspended in the manner provided in Section 5.124.090, and the revocation or suspension was based on a violation under this chapter that occurred either at the establishment or with the knowledge and consent of the permittee.

B. The process for appealing revocation or suspension of a somatic practitioners' establishment permit shall be the same as set out in Section 5.124.090(B).

Adopted by the City of Sacramento City Council on _____, 2007 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

MAYOR

Attest:

City Clerk

Passed for Publication:

Published:

Effective: