



Council Bill 04-25 - Establishing Massage  
Business License Regulations

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## Timeline and History

**September 26** – WW cover story on proliferation of human trafficking and prostitution

**October 15** – Council directed "staff to research best practices" and report back

**November** – Alleged sexual assaults on two massage businesses

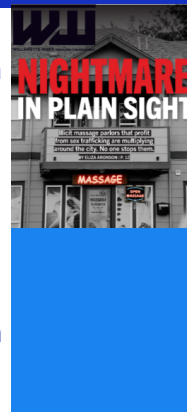
**February 10** – Massage business listening session #1

**March 4** – Council work session #1

**March 27** – Massage business listening session #2

**April 15** – Council work session #2

**May 16-21** – Public comment period on proposed ordinance



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## Best Practices

- Require background checks of all owners and employees
- Require owners to apply in-person annually for business license
- Allow for unannounced inspections of businesses
- Require floorplans of the businesses
- Require the disclosure of phone numbers used
- Limit hours of operation
- Prohibit window coverings

## Feedback incorporated businesses and Council

- In lieu of background checks, require:
  - proof of valid state license for all licensed therapists; and
  - personal information for all non-licensed employees/owners.
- Require in-person business license applications for the initial business license only; renewals can be conducted electronically.
- Eliminate floor plan requirements and do not ban window coverings, as inspections and other requirements will likely uncover illicit activity.

## Feedback incorporated businesses and Council

- To address business disruption and client privacy concerns, schedule initial inspections
  - Spell out how inspections would work
- Consider stigma around the issue
- Ensure actions taken by Oregon State Board of Massage Therapy (OSBMT) can be cause for City action
- Allow business to operate as early as 6 AM

### Suggestions that were not incorporated

- ☐ Do not require employers to collect personal information for non-LMT employees
- ☐ Require proof of appropriate licensure for all professions
- ☐ Address stigma by changing the language around sexual activities

## Overview of the proposed code

- Purpose
- Definitions
- Application requirements
  - In person for initial application
  - Identification requirements for owners and employees
  - Proof of lease or ownership of property
  - State massage license for therapist or State massage facility permit
  - Phone numbers of the business

## Overview of the proposed code

- Inspections
  - Records retention
  - Scheduled inspections
  - Re-inspections and complaint-driven inspection
- Fees
- Exemptions
- Denial, Suspension, Revocation

## Overview of the proposed code

- Unlawful Acts
- Standards of Operation
  - Hours of operation
  - Posting of business license
- Notice and Enforcement

### Additional action being taken

- HB 3819 is moving through the Oregon legislature. The bill would:
  - Increase fines from \$1,000 to \$5,000
  - Empower OSBMT to post a placard about a business that's operating without the proper OSBMT licenses
  - Escalate repeat offenses to Class C felonies
- OSBMT is also increasing fees to add enforcement staff



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#### Other considerations

- If passed, this ordinance would take effect 30 days after second reading
- Business license and code compliance are prepared to implement
- Notices will be sent to impacted businesses
- Staff will report back on the regulations and solicit feedback from massage providers one and two years after implementation



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**Questions and Comments**

