

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 2, 2024
Date

Committee on Transportation, Housing & Local Government.

After consideration on the merits, the Committee recommends the following:

HB24-1371 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 3, strike lines 4 and 5 and substitute "(4)(a)(IV),
2 (4)(a)(V), (4)(a)(XI), (4)(c), (5) introductory".
- 3 Page 3, lines 6 and 7, strike "(1)(a)(VIII), and (4)(a)(II);" and substitute
4 "and (1)(a)(VIII);".
- 5 Page 3, strike line 8 and substitute "(2)(h.3), (2)(h.5), (3.5), (4)(a)(XI.5),
6 (4)(c.5), and (4.5) as".
- 7 Page 3 line 11, strike "**required**" and substitute "**authorized -**
8 **background checks required**".
- 9 Page 4, strike line 3.
- 10 Page 4, line 4, strike "MUNICIPALITIES" and substitute:
11 "(III) ~~Cities~~ ALL LOCAL GOVERNMENTS".
- 12 Page 4, line 5, after "enact" insert "RESOLUTIONS OR" and after "regulate"
13 insert "OR OTHERWISE REGULATE".
- 14 Page 4, line 6, strike the first "businesses" and substitute "~~businesses~~
15 FACILITIES" and strike "businesses, SOME".
- 16 Page 4, strike lines 7 through 9 and substitute "~~businesses~~ FACILITIES;
17 AND".

- 1 Page 4, line 13, strike "BUSINESSES" and substitute "FACILITIES BY
2 REQUIRING CURRENT AND PROSPECTIVE OPERATORS, OWNERS, AND
3 EMPLOYEES OF MASSAGE FACILITIES TO SUBMIT TO PERIODIC
4 BACKGROUND CHECKS".
- 5 Page 4, line 14 after the second "AND" insert "OTHER".
- 6 Page 4, line 16, strike "CONCERN," and substitute "CONCERN THAT LOCAL
7 GOVERNMENTS HAVE SIGNIFICANT DISCRETION TO ADDRESS IN
8 ACCORDANCE WITH LOCAL NEEDS,".
- 9 Page 4, line 20, after "TO" insert "A BACKGROUND CHECK, WHICH
10 GENERALLY MEANS".
- 11 Page 4, line 21, strike "CHECK" and substitute "CHECK,".
- 12 Page 4, lines 23 and 24, strike "COUNTY, CITY AND COUNTY, AND
13 MUNICIPALITY" and substitute "LOCAL GOVERNMENT".
- 14 Page 4, lines 25 and 26, strike "BUSINESS LICENSURE REQUIREMENTS FOR
15 MASSAGE FACILITIES" and substitute "A LOCAL PROCESS THAT ENSURES
16 THAT THE BACKGROUND CHECKS ARE CONDUCTED THROUGHOUT THE
17 STATE".
- 18 Page 5, strike lines 12 through 17 and substitute:
- 19 "(b) The general assembly ~~finds, therefore,~~ FURTHER FINDS AND
20 DECLARES that:
- 21 (I) A ~~county~~ LOCAL GOVERNMENT may adopt a ~~local~~ resolution or
22 ordinance to establish business licensure requirements to regulate
23 massage facilities or to regulate and prohibit unlawful activities for the
24 sole purpose of deterring illicit massage businesses and preventing human
25 trafficking;".
- 26 Renumber succeeding subparagraphs accordingly.
- 27 Page 5, line 19, strike "COUNTIES AND MUNICIPALITIES" and substitute
28 "LOCAL GOVERNMENTS".
- 29 Page 5, line 21, strike "LOCAL LICENSING AUTHORITIES" and substitute
30 "LICENSING AUTHORITIES AND LOCAL LAW ENFORCEMENT AGENCIES".
- 31 Page 5, line 23, strike "LICENSED".

1 Page 6, line 1, strike "LICENSED".

2 Page 6, line 17, strike ""EMPLOYEE" MEANS AN" and substitute "EXCEPT
3 AS OTHERWISE PROVIDED IN SUBSECTION (2)(a.7)(II) OF THIS SECTION,
4 "EMPLOYEE" MEANS:

5 (I) (A) AN".

6 Page 6, line 18, strike "FACILITY OR AN" and substitute "FACILITY; OR
7 (B) AN".

8 Page 6, line 20, strike "FACILITY; EXCEPT THAT, FOR" and substitute
9 "FACILITY.
10 (II) FOR".

11 Page 6, line 23, strike "INCLUDE A MESSAGE THERAPIST." and substitute
12 "INCLUDE:
13 (A) A MESSAGE THERAPIST; OR
14 (B) AN INDEPENDENT CONTRACTOR WHO PERFORMS JANITORIAL
15 SERVICES OR OTHER ROUTINE FACILITY MAINTENANCE SERVICES FOR A
16 MESSAGE FACILITY AND HAS NO CONTACT WITH OR ONLY INCIDENTAL
17 CONTACT WITH CLIENTS OF THE MESSAGE FACILITY."

18 Page 6, strike lines 24 through 27.

19 Page 7, strike lines 1 through 4 and substitute:

20 (e) "Licensing authority" means the governing body of ~~the board~~
21 ~~of county commissioners of a county~~ A LOCAL GOVERNMENT or, IF A
22 LOCAL GOVERNMENT HAS EXERCISED ITS AUTHORITY TO ADOPT A
23 RESOLUTION OR ORDINANCE THAT ESTABLISHES LICENSURE
24 REQUIREMENTS FOR MASSAGE FACILITIES OR TO REGULATE AND PROHIBIT
25 UNLAWFUL ACTIVITIES RELATED TO MASSAGE FACILITIES, any authority
26 designated by ~~county charter or county~~ THE LOCAL GOVERNMENT'S
27 CHARTER OR IN A resolution OR ORDINANCE TO ADMINISTER OR ENFORCE
28 THE BUSINESS LICENSURE REQUIREMENTS, REGULATIONS, OR PROHIBITIONS
29 FOR MASSAGE FACILITIES ESTABLISHED BY THE LOCAL GOVERNMENT."

30 Page 7, strike lines 14 through 17 and substitute "WITH A LOCAL
31 RESOLUTION OR ORDINANCE OR A PERSON THAT IS OPERATING A MASSAGE
32 FACILITY WITHOUT A LICENSE WITHIN THE TERRITORY OF A LOCAL
33 GOVERNMENT THAT DOES NOT REQUIRE LICENSURE OF MASSAGE
34 FACILITIES; EXCEPT THAT, FOR THE PURPOSE OF DETERMINING WHETHER
35 A PERSON IS REQUIRED TO SUBMIT TO A BACKGROUND CHECK REQUIRED BY

1 SUBSECTION (4)(c.5) OF THIS SECTION, "OPERATOR" DOES NOT INCLUDE A
2 MESSAGE THERAPIST."

3 Page 7, strike lines 24 through 27.

4 Strike page 8.

5 Page 9, strike lines 1 through 15 and substitute:

6 "(3)(a) In addition to any other powers, a ~~board of county~~
7 ~~commissioners~~ LOCAL GOVERNMENT may adopt a resolution or ordinance
8 to establish business licensure requirements or to regulate and prohibit
9 unlawful activities to prevent the operation of illicit massage businesses
10 that engage in human trafficking-related offenses as described in sections
11 18-3-503 and 18-3-504. If a ~~board of county commissioners~~ LOCAL
12 GOVERNMENT adopts a resolution or ordinance to establish business
13 licensure requirements pursuant to subsection (4) of this section or to
14 prohibit unlawful activities pursuant to subsection (5) of this section, the
15 resolution or ordinance must not be more restrictive than the requirements
16 set forth in this section."

17 Page 10, after line 4 insert:

18 "(3.5)(a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3)(c)
19 OF THIS SECTION, A LOCAL GOVERNMENT SHALL ESTABLISH A PROCESS,
20 WHICH MAY BE ESTABLISHED BY RESOLUTION OR ORDINANCE OR
21 OTHERWISE, TO REQUIRE THAT, AS A CONDITION FOR A PERSON REMAINING
22 AS OR BECOMING AN OPERATOR, OWNER, OR EMPLOYEE:

23 (I) A PERSON WHO IS AN OPERATOR, OWNER, OR EMPLOYEE ON THE
24 EFFECTIVE DATE OF THE RESOLUTION OR ORDINANCE SUBMIT TO A
25 BACKGROUND CHECK ON OR BEFORE THE EARLIER OF OCTOBER 1, 2025, OR
26 ANY OTHER DATE SPECIFIED BY A LOCAL GOVERNMENT IN ITS PROCESS;
27 AND

28 (II) A PROSPECTIVE OPERATOR, OWNER, AND EMPLOYEE SUBMIT TO
29 A BACKGROUND CHECK BEFORE, AS APPLICABLE, BEING GRANTED A
30 LICENSE TO OPERATE A MASSAGE FACILITY, ASSUMING AN OWNERSHIP
31 INTEREST IN A MASSAGE FACILITY THAT WOULD MAKE THE PROSPECTIVE
32 OWNER AN OWNER, OR COMMENCING EMPLOYMENT WITH A MASSAGE
33 FACILITY."

34 Page 10, line 5, strike "If WHEN" and substitute "If".

35 Page 10, line 8, strike "~~may only~~ MUST" and substitute "may only".

1 Page 10, strike lines 10 through 16.

2 Page 10, after line 19, insert:

3 "(B) The ~~county~~ LOCAL GOVERNMENT zoning or subdivision
4 regulations do not allow for the operation of a massage facility;"

5 Page 10, lines 22 and 23, strike "a felony or misdemeanor for prostitution,
6 as described in section 18-7-201;" and substitute "~~a felony or
7 misdemeanor for prostitution, as described in section 18-7-201;~~".

8 Page 11, line 6, strike "or" and substitute "~~or~~

9 (F) The applicant has one or more previous revocations or
10 suspensions of a license to operate a massage facility; OR

11 (G) THE APPLICANT OR AN OWNER, PROSPECTIVE OWNER, OR
12 EMPLOYEE OF THE MASSAGE FACILITY FOR WHICH THE APPLICANT HAS
13 FILED AN APPLICATION FOR A LICENSE HAS NOT SUBMITTED TO A REQUIRED
14 BACKGROUND CHECK PURSUANT TO SUBSECTIONS (4)(c) and (4)(c.5) OF
15 THIS SECTION."

16 Page 11, line 8, strike "OR DETERMINE THAT AN".

17 Page 11, strike lines 9 and 10 and substitute "after considering,".

18 Page 11, strike lines 16 through 27.

19 Page 12, strike lines 1 through 10.

20 Page 16, after line 17 insert:

21 "(4.5) (a) A PERSON IS PROHIBITED FROM BEING AN OWNER IF THE
22 PERSON EITHER:

23 (I) HAS NOT SUBMITTED TO A REQUIRED BACKGROUND CHECK
24 PURSUANT TO SUBSECTIONS (4)(c) AND (4)(c.5) OF THIS SECTION; OR

25 (II) HAS BEEN CONVICTED OF OR ENTERED A PLEA OF NOLO
26 CONTENDERE THAT IS ACCEPTED BY THE COURT FOR AN OFFENSE LISTED
27 IN SUBSECTION (4)(a)(IV)(C) OF THIS SECTION; IS REGISTERED AS A SEX
28 OFFENDER OR IS REQUIRED BY LAW TO REGISTER AS A SEX OFFENDER, AS
29 DESCRIBED IN SECTION 16-22-103; OR HAS A PENDING CRIMINAL ACTION
30 THAT INVOLVES OR IS RELATED TO THE OFFENSES DESCRIBED IN
31 SUBSECTION (4)(a)(IV)(C) OR (4)(a)(IV)(D) OF THIS SECTION.

32 (b) A LICENSEE, OPERATOR, OR OWNER IS PROHIBITED FROM
33 EMPLOYING AS AN EMPLOYEE A PERSON WHO EITHER:

1 (I) HAS NOT SUBMITTED TO A REQUIRED BACKGROUND CHECK
2 PURSUANT TO SUBSECTIONS (4)(c) AND (4)(c.5) OF THIS SECTION; OR

3 (II) HAS BEEN CONVICTED OF OR ENTERED A PLEA OF NOLO
4 CONTENDERE THAT IS ACCEPTED BY THE COURT FOR AN OFFENSE LISTED
5 IN SUBSECTION (4)(a)(IV)(C) OF THIS SECTION; IS REGISTERED AS A SEX
6 OFFENDER OR IS REQUIRED BY LAW TO REGISTER AS A SEX OFFENDER, AS
7 DESCRIBED IN SECTION 16-22-103; OR HAS A PENDING CRIMINAL ACTION
8 THAT INVOLVES OR IS RELATED TO THE OFFENSES DESCRIBED IN
9 SUBSECTION (4)(a)(IV)(C) OR (4)(a)(IV)(D) OF THIS SECTION."

10 Page 16, lines 18 and 19, strike "~~may~~ LOCAL GOVERNMENT SHALL" and
11 substitute "LOCAL GOVERNMENT may".

12 Page 17, line 19, strike "**municipal regulation**" and substitute
13 "**background checks**".

14 Page 18, line 7, strike "30-15-401.4" and substitute "30-15-401.4,".

15 Page 18, lines 10 and 11, strike "TO:
16 (a) REQUIRE" and substitute "TO REQUIRE".

17 Page 18, line 13, after "TO" insert "A BACKGROUND CHECK, AS DEFINED IN
18 SECTION 30-15-401.4 (2)(a.5), WHICH GENERALLY MEANS".

19 Page 18 strike lines 15 through 25 and substitute "SECTION 30-15-401.4.
20 (2) IN ACCORDANCE WITH SECTION 30-15-401.4(3.5) AND SUBJECT
21 TO THE EXCEPTION SET FORTH IN SECTION 30-15-401.4 (3)(c), EVERY
22 STATUTORY OR HOME RULE MUNICIPALITY SHALL ESTABLISH A LOCAL
23 PROCESS TO ENSURE THAT REQUIRED BACKGROUND CHECKS ARE
24 CONDUCTED IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION
25 30-15-401.4."

26 Page 1, strike lines 104 and 105 and substitute "A LOCAL GOVERNMENT
27 TO ESTABLISH A PROCESS THAT REQUIRES PERIODIC CRIMINAL".

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