

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC SERVICE

In the Matter of the Proposed
Adoption of Rules of the State
Department of Public Service
Governing Inspection Fees

STATEMENT OF NEED
AND REASONABLENESS

The Department of Public Service is required by Minnesota Statutes, Sections 239.10 and 239.52, to recover the full direct and indirect costs of all weights and measures related inspection and testing operations, except petroleum quality testing, checkweighing, certain complaint investigations and court appearances on behalf of other government agencies. The rules proposed by the Department in this rulemaking are designed to implement the Legislature's directives.

The Department proposes a system of flat rate fees, rather than straight hourly rates, to avoid the problems of miscalculation and misapplication inherent in the latter type of system. Each flat rate closely reflects the actual average cost of performing an individual inspection and test. The fees include the direct cost of the inspection plus a proportional amount of administrative, equipment and travel costs, and a proportion of the cost of monitoring the repair of weighing and measuring devices. The fees do not include any of the costs specifically excluded by statute. The total amount to be recovered in fiscal year 1985 will not exceed the actual cost of providing inspection and testing services. The fees have been approved by the Commissioner of Finance. A copy of that approval is attached.

As required by Minnesota Statutes, Section 14.115, the Department has considered the impact of these proposed fees on small businesses. The consideration of each of the required methods of reducing the impact is as follows:

- (A) ESTABLISHMENT OF LESS STRINGENT COMPLIANCE OR REPORTING REQUIREMENTS:
Each flat rate fee is based on the average cost of performing an inspection. This structure benefits small businesses which generally have fewer devices at an individual site. In these cases the actual cost of the inspection is higher because time required for travel, equipment set-up and report writing does not vary in proportion to the number of devices at a business location. Therefore, the indirect cost per device test is higher at a small business. The test fee, however, remains at the same level regardless of the size of the business;
- (B) ESTABLISHMENT OF LESS STRINGENT SCHEDULES OR DEADLINES FOR COMPLIANCE OR REPORTING REQUIREMENTS:
All fees are payable in thirty days. However, the Department does not charge interest or assess penalties for late payment of fees;
- (C) CONSOLIDATION OR SIMPLIFICATION OF COMPLIANCE OR REPORTING REQUIREMENTS:
This method of reducing the impact of the rule is not applicable to the type of fee system proposed by the Department;
- (D) ESTABLISHMENT OF PERFORMANCE STANDARDS TO REPLACE DESIGN OR OPERATIONAL STANDARDS REQUIRED IN THE RULE:
This method of reducing the impact of the rule does not apply to a system of fees;
- (E) EXEMPTION OF SMALL BUSINESSES FROM ANY OR ALL REQUIREMENTS OF THE RULE:
Minnesota Statutes, Section 239.10, do not provide for any exemptions.