

1/7/91



STATE OF MINNESOTA

STATE BOARD OF ELECTRICITY
GRIGGS-MIDWAY BLDG.-ROOM S-173
1821 UNIVERSITY AVENUE
SAINT PAUL, MINN. 55104

OFFICE OF THE
EXECUTIVE SECRETARY
(612) 642-0800

February 12, 1991

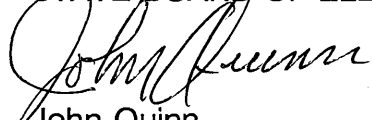
Maryanne Hruby
Legislative Commission
To Review Administrative Rules
Room 55 State Office Building
100 Constitution Avenue
St. Paul, MN 55155

RE: In the Matter of Proposed Amendments to
Permanent Rules Relating to Licenses;
Expiration and Fees

Please find enclosed the Board's Statement of Need and Reasonableness regarding the above matter.

Sincerely,

STATE BOARD OF ELECTRICITY


John Quinn
Executive Secretary

JQ:bke
Enc.
cc: Louis Hoffman

STATEMENT OF NEED AND REASONABLENESS

This rule is needed because Minn. Stat. § 214.06 mandates that examining and licensing boards, by rule and with approval of the Commissioner of Finance, adjust fees which they are empowered to assess so that the total fees collected by each board will, as closely as possible, equal their anticipated expenditures during the fiscal biennium, as provided for by Minn. Stat. § 16A.28. The Board of Electricity ("Board"), pursuant to this statutory mandate, must increase its license fees to meet increasing expenditures.

The Department of Finance has approved the proposed fee increase for all licensing categories and examinations.

It is reasonable for the Board to increase its license and examination fees as it has projected that the revenue collected during the 1992-93 biennium under the existing fee schedule will be \$147,000.00 short of projected expenditures. The licensing and examination fees have not been increased since 1981. The proposed fee increase is reasonable because it allows the Board to meet its projected expenditures.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

Most of the businesses regulated by the Board of Electricity ("Board") are small businesses. The Board estimates that eighty percent of all licensed electrical contractors are small businesses, as defined by Minn. Stat. § 14.115. Individual license holders and applicants are not businesses. The Board has framed all of these regulations by considering the needs of small business by making the regulations easy to understand and comply with and by minimizing the increase in fees.

- a) There are no compliance or reporting requirements.
- b) There are no schedules or deadlines for compliance or reporting requirements.
- c) There are no compliance or reporting requirements to consolidate or simplify.
- d) There are no design or operation standards required.
- e) Because the cost of license fees must be equivalent to the Board's cost in issuing licenses, it would not be feasible to exempt small businesses. Further, the fees in question are reasonable, as are the proposed increases. In addition, because the Board is mandated to increase fees to meet its proposed expenses, the burden would have to be borne by the twenty percent of electrical contractors who are not small businesses and by individual license holders and examinees if special consideration were given to small businesses.