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MINNESOTA
STATE GOVERNMENT
ISSUES

NEW FEES

NOVEMBER 27, 1984

JK
6136
.M56
v. 23

Executive Branch Policy Development Program
1984-1985

TEAM LEADER: ALLEN A. YOZAMP
SUBCABINET: SANDRA HALE, CHAIR
EXECUTIVE MANAGEMENT

NEW FEES

NOVEMBER 27, 1984

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I. EXECUTIVE SUMMARY

A. Issue:

1. To determine where new fees could be established and develop recommendations and legislation for implementation.
2. To recommend policies of how, when, and under what conditions new fees should be established and current fees maintained.

B. Major Findings/Conclusions:

1. Minnesota's approach to setting fees is more comprehensive than most of the other states.
2. Fees are already established for most areas where it is reasonable to charge fees.
3. 247 possible new fees were identified in 33 agencies.
4. Of the 247 possible new fees identified, 37 are recommended for implementation, resulting in a projected biennial revenue increase in the general fund of \$17,027,400 and in other funds by \$3,042,800.

C. Recommended Course of Action:

1. Finance should coordinate the preparation of legislation required to implement the recommended fees and submit as part of the budget recommendations, those items that are not included in the agencies departmental legislation.
2. Discontinue the business license surcharge.
3. Revise fiscal note requirements to include information concerning possible new fees.

D. Budget Implications:

1. There are no fee recommendations which result in new or expanded services.

E. Timetable for Implementing:

- | | |
|---------------------------|--|
| 1. December, 1984 | Revise fiscal note reporting requirements to include information on possible new fees. |
| 2. January, 1985 | Submit legislation for recommended new fees with the biennial budget. |
| 3. January thru May, 1985 | Track and report on committee actions regarding the recommended new fees. |

II. BACKGROUND

A. Issue Background:

Minnesota Statutes 16A.128 requires a review of all fees every 6 months and adjustments made to the end that total fees received approximate total costs. In addition, a biennial fee report is required for fees not recovering costs. The general use of this report is for making adjustments to fees set by law.

Since F.Y. 1980, fee receipts in the general fund have been increasing at an annual average rate of approximately 9 1/2%. Fee receipts for other operating funds (Special, Airport, Game and Fish, IRRRB, Trunk Highway, Highway User and Federal) have averaged approximately 14% annually. Receipts for all operating funds have increased at an average rate of approximately 12% a year, from \$78 million in F.Y. 1980 to \$124 Million in F.Y. 1984. See Appendix A, History of Receipts, for more information by fund and agency.

Establishing fees, as new programs were approved or old programs revised, has been more rigorous during the past few years when the general fund was in trouble. The perception has been, that the state could be generating more revenue from fees to support programs. While a quick review of possible new fees was conducted last biennium, it was possible that a more intensive review would identify some areas where it is appropriate to charge fees.

Additional fee related studies will occur. In the social services area, a non-tax revenue commission was established to examine funding and income generating possibilities. The 25-member commission is made up of state and local officials and private citizens. Most of the revenue generated would be at the county level but would have an indirect affect at the state level. Their final report is scheduled for February 1986. Also, House legislative staff have been studying methods for reviewing dedicated funds, possible new fees in proposed legislation and standard appropriation language for new fees. Many portions of this report have been discussed with them.

B. Issue Charge:

The issue charge is to determine where new fees can be established and develop the legislation for implementation. The charge also requires policy recommendations of how, when, and under what conditions new fees should be established and current fees maintained.

C. Team Members:

Anderson, Darryl L.	-	Agriculture
Becker, Bonnie	-	Human Services
Hoeft, Richard D.	-	Finance Department
Hawkins, Charles	-	State Planning
Janisch, William H	-	Public Service
Klaus, John R.	-	Pollution Control Agency
Nelson, Barton	-	Finance
Watnemo, Doug	-	Finance
Wrobel, Eugene A.	-	Administration
Yozamp, Allen A.	-	Finance (Team Leader)

D. Analysis Method

The team sent a questionnaire (relating to fee setting and reporting) to other states and summarized the responses.

Another questionnaire was sent to all state agencies. Agencies were requested to provide a brief summary of every service/control provided to individuals or entities outside of state government, regardless of fund or concerns of implementing new fee. Many agencies were reluctant to do this and it was necessary to request information on specific items. Specific items were identified by reviewing the 1984-85 Minnesota Guidebook to State Agency Services and Directory of Licenses and Permits.

The team then reviewed each response to determine which items had sufficient merit to request additional detail from the agency. Additional detail was then reviewed and recommendations made for implementing certain fees.

The analysis identified two items common to most agencies, 1) copying costs and 2) workshop fees.

Copying costs surfaced as fee items in several of the agencies. The team makes no recommendation of a standard rate for copying because of the varying amount of effort required. Variances occur in the gathering of documents to copy, the salary levels of those doing the copying and the amount of time required to copy. The administration department is updating their policy and procedure relating to charges for providing text and data which will be distributed in the very near future.

Charging fees for workshops was another item which several agencies surfaced as potential new fees. Current authority exists for agencies to charge the costs of the workshop under M.S. 16A.721, which is described in the Statewide Accounting Operations Manual, procedure number 06:06:10. Agencies should use this procedure wherever possible.

This report is the culmination of a detailed study of potential new fee areas. Agencies spent a significant amount of time preparing the summary and detail information reviewed by the team. The team, in turn, devoted more than 40 hours meeting to develop recommendations and the final report. In addition, finance staff provided the administrative responsibilities necessary for the completion of this report.

III. FINDINGS/CONCLUSIONS

A. Practices of Other States

Minnesota's approach to setting fees is more comprehensive than most other states'. A general survey was directed to the 49 other states regarding their fee setting and review processes, of which 36 responded. The study revealed that few states use a central agency to review all agency fees at set time intervals. Many states find it time consuming and costly to change fees, since their fees are set by legislation or by public hearing. Additional detail concerning the responses are contained in Appendix C.

B. Deficiencies in Current Practices

1. When fees set by statute recover more than costs, there currently is no mechanism to review and adjust the fee to cost.
2. No written policy or criteria exists for establishing new fees.
3. A process for reviewing new legislation for possible new fees does not exist.
4. Currently there is no written policy or criteria to guide agencies in developing new legislation as to whether proposed new fees should be dedicated or nondedicated.
5. A biennial report on fees not recovering costs is required by November 15th, which is earlier than necessary. Last biennium, the Finance Department changed its practice from providing comments to providing recommendations. The balance of the biennial budget recommendations are not finalized until January and the November 15th due date makes it difficult, if not impossible, to coordinate the recommendations.
6. The general practice for establishing new fees is to use the procedure for noncontroversial rules, without hearing, as authorized by M.S. 16A.128. This practice has been questioned because the title of 16A.128 is "FEE ADJUSTMENTS" even though subd. 1 refers to, "...the fee or fee adjustment."

C. New Fees:

The major portion of the time devoted to the study was spent reviewing areas where new fees could be established. The number of new fees being recommended is not significant and many of them have been considered previously by either the agency involved or the legislature. Examples are, the Pollution Control Agency's water and air quality permits and the Ethical Practices Board's lobbyist and political committee registration fees. In general, it can be said that fees already exist for most areas where it is reasonable to charge fees.

A listing of items reviewed for possible new fees can be found in appendix B, Listing of Items Reviewed. There were 247 items reviewed in 33 agencies, resulting in recommendations of 37 new fees. The listing includes a brief reason for items not being recommended for a new fee.

IV. RECOMMENDATIONS:

A. To amend M.S. 16A.128 FEE ADJUSTMENTS and M.S. 16A.1281 REPORT ON LOW FEES as follows:

1. To include in the biennial fee report those fees the Commissioner of Finance believes are too high for the service provided.
2. Changing the due date of the biennial fee report to coincide with the biennial budget submission.
3. Clarifying that new fees authorized to be established by rule, may be implemented without hearing through the non-controversial rules procedure.
4. Requiring annual review of fees rather than each six months.

Draft legislation for the above recommendations is Appendix D.

B. Establish the following policies for setting and maintaining fees.

1. All proposed legislation for new or amended programs must consider whether or not user fees can and should be charged and whether the fee should be dedicated or nondedicated.
2. Fees are appropriate when one or more of the following items apply:
 - a. State government does something of value (identifiable benefit) for an individual, group, organization or business that it does not do for the general public.
 - b. There is a public benefit and the cost of the service or regulation provided by the state, should be reflected in the end product or service.
 - c. Waste or abuse of the service may result if provided free of charge.

3. Fees are usually not appropriate when one or more of the following items are apply:
 - a. All benefits are received by other units of government or by those receiving assistance or grant-in-aid from the state.
 - b. Administrative costs of recovering fees will exceed the additional revenue raised.
 - c. Fees place an unreasonable financial burden on businesses or individuals.
 - d. The new fee would reduce the ability of an agency to fulfill a major objective.
 - e. The service or control is funded by other related fees or user taxes.
4. Fee setting must consider:
 - a. Whether pricing should be used to control usage or ration resources.
 - b. The fee rates relationship to private markets and surrounding states.
 - c. Whether fees should recover total cost or a lessor portion because of a general public benefit.
 - d. How fee will be established and adjusted. New fees should usually be authorized to be established and adjusted by the agency pursuant to 16A.128.
- C. Revise the fiscal note requirements to include information concerning possible new fees or changes to existing fees.
- D. The business license surcharge of 1% or \$10, whichever is less, be discontinued. An alternative option for recovering all, or a portion of the Bureau of Business Licenses costs is included in the alternative option section of this report.
- E. Elimination of the permit for transportation of petroleum products administered by the Department of Revenue. Its purpose was to ensure that all tanks carrying petroleum products were calibrated. This requirement was discontinued several years ago because the trucks are now equipped with meters to determine the amount delivered.
- F. Implementation of 37 new fees. Upon acceptance of these recommendations, the Department of Finance should contact each agency involved, requesting they implement those fees which do not require new legislation, or to prepare legislation required for implementation. Coordination of how legislation is to be submitted, either with the agency's departmental legislation or with the biennial budget, should also be done by Finance. Detail concerning each new fee recommended can be found in Appendix E, Recommended New Fees. The recommended new fees are:

LISTING OF FEES RECOMMENDED

FUNCTIONAL AREA AGENCY ITEM	AMOUNT OF PROPOSED FEE	EST NO. PAYING FEE	ESTIMATED BIENNIAL RECEIPTS	ESTIMATED BIENNIAL COST *	RULE OR LEGISLATION REQUIRED	REMARKS
EDUCATION						
EDUCATION, DEPARTMENT OF						
Private Vocational School						
1. Course Evaluation	\$200	10	\$4,000	\$4,000	YES	
2. Multiple Location Application	\$25	100	\$5,000	\$4,000	YES	
3. Unapproved Teacher (Late Fee)	\$50	5	\$500	\$500	YES	
HEALTH, WELFARE, CORRECTIONS						
CORRECTIONS, DEPARTMENT OF						
4. Serving Legal Papers for Outside Agencies	\$10	60	\$1,200	\$1,200	NO	**
5. Sexual Assault Training Materials Fee (Late Fee)	\$5	100	\$500	\$500	YES	**
AGRICULTURE TRANSPORTATION/SEMI-STATE						
TRANSPORTATION REGULATION BOARD						
6. Railroad Applications	\$50/100	50	\$7,500	\$70,000	YES	TRUNK HIGHWAY
PUBLIC SAFETY, DEPARTMENT OF						
7. Flam & Combustible Liq & L.P Gas Instl, Plan Review	ACTUAL	350	\$8,000	\$8,000	YES	
8. Instruction Permit-Class A & B Licenses	\$5	1,500	\$15,000	\$15,000	YES	T.H. & GEN FUND
9. Mobile Police Radio Permit	\$2.50	500	\$2,500	\$2,400	YES	
10. Non-Criminal Justice Records Request Fee	\$4	2,000	\$16,000	\$16,000	NO	
AGRICULTURE, DEPARTMENT OF						
11. Milk Handling Equipment Installer License	\$50	125	\$12,500	\$12,500	YES	
ANIMAL HEALTH, BOARD OF						
12. Auction Market Permits	\$5/\$100	240	\$10,000	\$20,000	RULE	
13. Hatchery Permits	\$50	67	\$6,700	\$6,700	RULE	
14. Pet and Mink Food Processing Permits	\$50	2	\$200	\$160	YES	
15. Pseudorabies Negative/Vaccinated Herd Certificates	\$25	30	\$1,500	\$1,500	RULE	
16. Quarantined Feedlot Permits	\$100	6	\$1,200	\$1,200	RULE	
17. Rendering Plant Operation Permits	\$100	19	\$3,000	\$3,600	YES	
ETHICAL PRACTICES BOARD						
18. Lobbyist License Fee	\$36	1,600	\$57,600	\$56,000	YES	
19. Political Committee/Fund Registration	\$40	635	\$25,400	\$25,000	YES	
STATE DEPARTMENTS						
REVENUE, DEPARTMENT OF						
20. Delinquent Tax Collection Fee	4.5%	75,000	\$10,000,000	\$10,000,000	YES	
21. Gross Underreporting of Taxes, Audit Fee	19%	3,450	\$2,250,000	\$3,000,000	YES	
22. Revenue Recapture Fee	\$3	70,000	\$420,000	\$420,000	YES	

LISTING OF FEES RECOMMENDED

FUNCTIONAL AREA AGENCY ITEM	AMOUNT OF PROPOSED FEE	EST NO. PAYING FEE	ESTIMATED BIENNIAL RECEIPTS	ESTIMATED BIENNIAL COST *	RULE OR LEGISLATION REQUIRED	REMARKS
<u>NATURAL RESOURCES, DEPARTMENT OF</u>						
23. Advanced Hunter Education	\$2/\$4/\$10	7,000	\$48,300	\$186,000	YES	GAME & FISH
24. Resident Fishing License for Senior Citizens/RR Retiree	\$3.25	190,000	\$2,185,000	N/A	YES	6&F FED MATCH
25. Special Hunts Application	\$3	70,000	\$210,000	N/A	YES	87, G & F FUND
26. Water Permit Transfer or Amendment Fee	\$30	300	\$18,000	\$18,000	YES	
27. Water Violation Fee	Max \$500	100	\$48,000	\$48,000	YES	
<u>POLLUTION CONTROL AGENCY</u>						
28. Air Quality Permit Fee	\$100/\$1300	700	\$395,000	\$540,000	YES	
29. Water Quality Permit Fee	\$30/\$2400	1,500	\$1,125,000	\$1,500,000	YES	
<u>ENERGY AND ECONOMIC DEVELOPMENT, DEPARTMENT OF</u>						
30. Development Authority, Loan Origination Fee	1%	50	\$400,000	\$400,000	RULE	**
<u>LABOR AND INDUSTRY, DEPARTMENT OF</u>						
31. Apprenticeship Program	\$95	5,130	\$974,000	\$951,400	YES	
32. Workers Compensation Filing Fee	\$20/\$30	12,300	\$577,000	\$1,047,000	YES	WORKER COMP FND
<u>MEDIATION SERVICES</u>						
33. Arbitrator Epanelling Fee	\$50	40	\$4,000	\$7,000	RULE	
<u>PUBLIC EMPLOYMENT RELATIONS BOARD</u>						
34. Arbitrator Epanelling Fee	\$50	40	\$4,000	\$7,000	RULE	
<u>VETERANS AFFAIRS, DEPARTMENT OF</u>						
35. Guardianship Service Fees	5%	60	\$60,000	\$137,000	YES	
<u>HUMAN RIGHTS, DEPARTMENT OF</u>						
36. Discrimination Case Processing	ACTUAL	234	\$366,000	\$366,000	YES	
37. Familial Status Rental Exemption Fee	\$50	60	\$6,000	\$6,000	YES	
TOTAL RECEIPTS			\$20,070,200			
GENERAL FUND			17,027,400			
GAME AND FISH FUND			\$2,443,300			
TRUNK HIGHWAY FUND			\$22,500			
SPECIAL WORKERS COMPENSATION FUND			577,000			

* ESTIMATED COSTS ARE BASED ON CURRENT EXPENDITURES, NO NEW SERVICES HAVE BEEN RECOMMENDED AS FEES.

** AGENCY HAS REQUESTED DEDICATED RECEIPTS

V. ALTERNATIVE OPTIONS

Many alternative options exist from those recommended. Fees which were not recommended could be implemented, or fees could be established at rates higher or lower than recommended. Because most rates recommended are those necessary to recover estimated costs, changing the rate is not a realistic option unless there is intent to recover more or less than the estimated costs. In those instances where the recommended fee will not recover costs, an option exists to recover a larger percentage of the costs.

The option of implementing items other than those recommended is viable. Information on those items not recommended that the team felt had sufficient merit for further review, is included in Appendix F, Alternative Options. Those items are:

<u>AGENCY ITEM</u>	<u>REASON FOR NOT RECOMMENDING</u>
<u>EDUCATION, DEPARTMENT OF</u>	
1. Private Vocational School, Application for Vocational Teacher Approval	Included in Private Vocational School License
<u>TRANSPORTATION, DEPARTMENT OF</u>	
2. Right-of-Way and Access Permits.	Funded by User Taxes
3. Utility Right-of-Way Permits	Funded by User Taxes
<u>PUBLIC SAFETY, DEPARTMENT OF</u>	
4. Deputy Registrar Appointment	Collect Fees and Taxes for State, 60% are Other Units of Government
5. Film Rental	Users are Other Units of Government
<u>AGRICULTURE, DEPARTMENT OF</u>	
6. Corporate Farm Registration	Information Collection, Deterrent
7. Grain Screens, Buyers Permit	Deterrent to Compliance
<u>ANIMAL HEALTH, BOARD OF</u>	
8. Certification for Movement	Deterrent, Reciprocity Between States
9. Import Permits Livestock	Deterrent, Reciprocity Between States
<u>SECRETARY OF STATE</u>	
10. <u>Legislative Manuals</u> (Blue Book)	Information Dissemination, Deterrent

STATE TREASURER

11. Personal Check Cashing Fee

Immaterial, Discontinue Practice
Rather than Fee

ADMINISTRATION, DEPARTMENT OF

12. 911 Emergency Telephone Fee

Special Tax - Not a Fee

EMPLOYEE RELATIONS, DEPT. OF

13. Candidate Examination Fee

Deterrent, Affirmative Action
Concerns

NATURAL RESOURCES, DEPT. OF

14. Private Forest Management
Assistance

Deterrent, Some Current Fees

15. Trails User Fees

Some Current Fees, Enforcement
Problems

16. The Minnesota Volunteer

Information Dissemination Deterrent

17. Wildlife Management User Fee

Enforcement Problems Related Fees

ENERGY AND ECON. DEV., DEPT OF

18. Business License Cost
Distribution

Deterrent, Major Objective

19. Development Authority, Loan
Application Fee

New Program, Agency to Submit
Proposal Next Session

20. Publications, Sale of

Information, Dissemination, Major
Objective

APPENDIX A

FEE RECEIPTS HISTORY

TYPE OF RECEIPTS

Fee receipts are deposited as either dedicated (receipts are immediately available for expenditure for a specified purpose) or nondedicated (receipts are deposited to the fund and become part of the fund balance, and expenditures must be authorized through direct appropriations). For some dedicated funds, such as game and fish and trunk highway, fee receipts are usually nondedicated. Other fee receipts are deposited to the general fund if nondedicated or to the miscellaneous special revenue fund if dedicated.

Dedicated receipts in the miscellaneous special revenue fund have been increasing at a higher rate than the nondedicated receipts. This is attributable to more new fees being authorized as dedicated. The following table displays by fund, the percentage change from F.Y. 1980 to F.Y. 1984 and the average annual rate of increase:

<u>FUND</u>	<u>PERCENT INCREASE F.Y. 1980-1984</u>	<u>AVERAGE ANNUAL RATE OF INCREASE</u>
General (10)	44.0%	9.5%
Special Revenue, Misc (20)	53.9%	11.3%
Game and Fish (23)	82.4%	16.2%
Trunk Highway (27)	73.2%	14.7%
Highway User (28)	74.4%	14.9%
Operating Funds (10-31)	58.5%	12.2%

RATE DETERMINATIONS

The law requires that agencies' fees be set so that total fees received approximate total costs. This includes all agency direct, agency indirect, statewide indirect and Attorney's General's costs.

There are 28 agencies that recover 10% or more of their General Fund expenditures through fee receipts. Of these twenty-eight agencies, eighteen recover more than 95% and sixteen recover 100%. Most of the sixteen agencies are small boards, the exception being the Commerce Department with an annual budget of over \$7 million. In addition, the Health Department indicates that, after adjusting for state grants and state funds required for federal match purposes, over 40% of their remaining state funds are recovered through fees.

Approximately forty fee categories in thirty agencies over recover more than \$6 million annually. Three-fourths of these fees are set by law with the remaining one-fourth set by the agency. Commerce, whose fees are set by law, accounts for more than 75% of the over recovery.

HISTORY OF RECEIPTS

APPENDIX A

GENERAL FUND (10)		ACTUAL FY 1980	ACTUAL FY 1981	ACTUAL FY 1982	ACTUAL FY 1983	ACTUAL FY 1984	ACT/EST FY 1985	ESTIMATED FY 1986	ESTIMATED FY 1987
ADMINISTRATION		1,334.4	1,182.6	974.5	1,086.8	1,345.2	1,373.6	1,442.2	1,512.6
AGRICULTURE	1)	1,848.8	1,918.2	1,909.5	2,024.7	2,331.9	2,455.9	2,577.5	2,706.4
ATTORNEY GENERAL		1,274.2	1,850.1	2,660.3	3,298.1	3,225.7	3,195.0	3,354.8	3,522.5
PUBLIC SAFETY	2)	5,772.4	5,734.4	5,944.9	6,244.8	7,443.2	11,229.6	11,524.3	11,590.2
ELECTRICITY BOARD	1)	246.5	253.7	497.0	448.4	756.9	175.1	797.7	175.1
HEALTH		1,488.7	1,625.9	2,021.7	3,324.2	3,382.2	3,382.4	4,029.3	4,320.8
COMMERCE		6,992.2	7,922.8	9,886.9	11,137.2	11,097.6	11,108.3	10,374.2	10,480.9
NATURAL RESOURCES		2,134.5	2,522.8	3,436.9	3,733.5	2,516.8	3,374.7	3,551.4	3,587.3
EDUCATION		566.4	581.2	1,215.6	930.7	910.5	882.8	889.5	900.2
SECRETARY OF STATE		1,663.2	1,700.5	2,211.7	2,573.8	2,671.9	2,813.9	2,931.6	3,062.0
REVENUE		960.8	892.6	892.8	897.7	1,231.3	975.0	992.0	1,041.7
ZOOLOGICAL BOARD		2,209.9	2,430.6	1,541.6	1,726.7	1,849.3	1,865.0	2,084.7	2,188.9
TRANSPORTATION	3)	1,052.9	1,134.9	1,211.5	1,345.1	1,373.1	1,527.2	0.0	0.0
PUBLIC SERVICE		1,584.4	1,745.2	3,266.6	2,510.9	2,083.4	2,648.9	2,267.6	2,303.1
PUBLIC UTILITIES COMMISSION		0.0	11.1	792.3	1,079.5	1,086.2	1,222.1	1,393.5	1,412.8
ALL OTHER		4,253.9	4,043.1	4,369.8	4,447.9	4,761.7	5,330.5	7,482.9	7,404.2
TOTAL GENERAL FUND (10)		33,383.2	35,549.7	42,833.6	46,810.0	48,066.9	53,560.0	55,693.2	56,208.7
TYPE OF REVENUE:									
300 SERVICE CHARGES		11,727.0	12,543.8	14,769.5	15,576.7	17,239.7	20,842.7	21,147.6	21,353.0
302 INSPECTION FEES		1,708.4	1,587.6	1,593.6	2,893.1	3,032.9	3,860.3	3,576.2	3,718.5
307 GENERAL SALES		2,203.1	2,430.1	1,543.0	1,726.8	1,849.3	1,865.0	2,084.7	2,188.9
310 OCCUP. PERMITS & LICENSES		9,392.2	9,701.3	12,045.3	12,601.7	14,057.7	13,734.2	16,091.0	15,348.4
320 NON-OCCUP. PRMTS. & LIC.		3,996.4	4,420.4	5,607.2	6,066.0	4,798.1	5,650.8	4,768.5	5,280.6
321 BURCHARGE-LICENSES & PRMTS.		1,111.0	1,019.1	910.1	989.3	1,229.0	933.9	1,101.5	1,100.5
360 ALL OTHER		3,245.1	3,847.4	6,364.9	6,956.4	5,860.2	6,673.1	6,923.7	7,218.8
TOTAL GENL FUND BY REVENUE TYPE		33,383.2	35,549.7	42,833.6	46,810.0	48,066.9	53,560.0	55,693.2	56,208.7
SPECIAL REVENUE FUND, MISC (20)									
AGRICULTURE	1)	8,669.8	9,748.9	6,849.9	6,719.1	8,766.5	8,402.2	8,507.2	8,513.8
ELECTRICITY BOARD	1)	1,529.6	1,452.3	1,328.3	1,567.4	1,829.3	1,753.3	1,830.0	1,830.0
HEALTH		27.6	2,828.0	789.4	3,735.4	3,498.0	4,186.4	4,655.7	4,893.5
COMMERCE		356.4	1,013.8	502.3	563.5	576.0	523.0	523.0	523.0
NATURAL RESOURCES		1,909.9	1,787.5	2,392.4	2,747.7	3,841.9	3,527.5	4,401.3	4,492.1
SUPREME COURT		0.0	0.0	0.0	0.0	1,024.5	1,204.1	1,204.1	1,204.1
ZOOLOGICAL BOARD		293.0	493.5	813.9	863.7	1,030.6	1,160.4	1,218.4	1,279.3
CORRECTIONS	4)	1,330.5	1,535.1	1,029.5	2,789.9	2,239.8	975.1	443.8	743.8
PUBLIC SERVICE		145.0	765.0	858.2	496.8	928.6	926.2	1,042.5	1,059.9
ALL OTHER		3,074.8	3,084.9	3,209.6	2,516.8	2,904.8	4,266.2	2,798.4	2,800.0
TOTAL SPECIAL REVENUE, MISC (20)		17,336.6	22,709.0	17,773.5	22,000.3	26,640.0	26,924.4	26,624.4	27,339.5
OPERATING FUNDS									
GENERAL FUND (10)		33,383.2	35,549.7	42,833.6	46,810.0	48,066.9	53,560.0	55,693.2	56,208.7
SPECIAL REVENUE, MISC (20)		17,336.6	22,709.0	17,773.5	22,000.3	26,640.0	26,924.4	26,624.4	27,339.5
AIRPORT FUND (22)		24.8	36.1	2.8	47.7	62.3	62.3	62.0	62.0
GAME AND FISH FUND (23)		12,475.3	16,221.1	16,948.6	20,817.0	22,756.1	25,139.3	24,589.9	27,619.1
IRON RANGE RESOURCES & REHAB (24)		0.0	0.0	0.0	134.4	161.4	607.7	600.0	600.0
TRUNK HIGHWAY FUND (27)		13,194.8	15,052.9	18,369.4	17,907.0	22,852.5	22,026.8	22,933.2	23,522.9
HIGHWAY USER TAX DISTR FUND (28)		1,672.9	1,664.5	1,673.8	2,883.6	2,918.3	2,249.7	2,346.3	2,369.7
FEDERAL FUND (30 & 31)		123.0	4.9	6.5	363.1	489.0	541.4	575.0	605.5
TOTAL OPERATING FUNDS (10-31)		78,210.6	91,238.2	97,608.2	110,963.1	123,946.5	131,111.6	137,724.0	136,327.4

1) Receipts for grain inspection in Agriculture and licenses issued by the Electricity Board changed to dedicated during F.Y. 1982. History adjusted for comparison purposes.

2) Motor Vehicle transfer fee new in F.Y. 1985.

3) Motor carrier licensing receipts deposited to Trunk Highway Fund beginning in F.Y. 1986.

4) Receipts for Wisconsin inmates beginning in F.Y. 1982 and ending in F.Y. 1986 have been excluded.

APPENDIX B

LISTING OF POTENTIAL NEW FEES

The listing of potential new fees contains a second column that, either recommends the new fee, or lists abbreviated reason(s) for not recommending the fee. The following information provides an expanded definition of the abbreviated reasons for not recommending new fees.

- | | |
|--|---|
| 1. Deterrent | When a new fee would reduce impact the ability of an agency to fulfill a major objective, the new fee has not been recommended. |
| 2. Funded by Other
Related Fees/Taxes | New fees for a specific service/control of an activity have not been recommended when fees for licenses or user taxes already fund the entire activity. |
| 3. General Benefit | Requiring payment for a service/control where the benefit is equally distributed among all Minnesotans would be more of a tax than a fee and therefore is not recommended. |
| 4. Grant/Aid Recipients | When all, or most, of those who would pay the fee receive grants or aid from the state, the possible fee has not been recommended. Exceptions were considered for "control of usage." |
| 5. Immaterial | New fees were not recommended when there were only a few applicants/users and/or insignificant cost per incidence. |
| 6. Identification
Difficulties | When unable to identify person(s) who benefit, new fees have not been recommended. |
| 7. Information
Collection | Fees have not been recommended for registration, or other information collection mechanisms, when the main objective is to collect information and a fee would be a deterrent to that objective. |
| 8. Information
Dissemination | Informing the public through the dissemination of publications and materials is usually a major objective of an agency. Requiring payment (fees) for the materials has not been recommended because the deterrent would significantly reduce or eliminate the distribution. |
| 9. New Service | The objective of the study was to review current services for possible new fees. Fees have not been recommended for proposed new services. |
| 10. Reciprocity | No new fees were recommended for the exchanging of information or services between other units of government. |

11. Miscellaneous

Some reasons are unique to individual items and have not been described.

Higher Education agencies have not been included in this study because their fee structure is reviewed during each legislation session as part of the appropriation process.

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA AGENCY ITEM	RECOMMENDED OR REASON FOR NOT RECOMMENDING
<u>EDUCATION</u>	
EDUCATION, DEPARTMENT OF	
Curriculum Development Technical Assistance	Deterrent, Grant/Aid Recipients
Facilities Review	Grant/Aid Recipients - School Districts
Indian Scholarship Application Fee	Grant Program
Library Copying and Materials	Authority Now There to Collect as Non-Dedicated, Should Continue
Library Information and Consultant Assistance	Grant/Aid Recipients - School Districts
Library Materials for the Blind	Federally Funded
Private Vocational Schools	
Change of School Ownership	Presently Handled as a New Application, New Application Fee Charged
Course Evaluation	RECOMMENDED
Location Change Application	Immaterial
Multiple Location Application	RECOMMENDED
Vocational Teacher Approval Application	ALTERNATIVE OPTION-Included in Private Vocational School License
Unapproved Teacher (Late Fee)	RECOMMENDED
School Name Change	Presently Handled as a Renewal, Renewal Fee Charged
Technical Assistance to School Districts	Grant/Aid Recipients
Update Subscription Fee (Publication)	Information Dissemination, Deterrent
HIGHER EDUCATION COORDINATING BOARD	
MINITEX User Fees	Grant/Aid Recipients
Scholarships & Grants Processing	Service Already There, Done By American College Testing
<u>HEALTH, WELFARE, CORRECTIONS</u>	
HUMAN SERVICES, DEPARTMENT OF	
Escrow Audit Fee	Court Decision has been Made and Escrow Account Will End
Forms & Publications	Deterrent, Information Dissemination, Grant/Aid Recipients
Licensing Foster/Family Day Care Homes	New Service/Control, Currently Exempt
People See Differently & Earmarks (Publications)	Information Dissemination, Deterrent
Maternity Shelter License	Facilities of This Type no Longer Exist
Semi-Independent Living Serv for MR License	NEW LICENSE & FEE BEING IMPLEMENTED EFFECTIVE 7/1/85
ECONOMIC SECURITY, DEPARTMENT OF	
Customized Training	Federally Funded
Directory of Labor Market Information	Federally Funded
Emergency Interpreter Services	Now Charging Other Public Agencies When Possible, Should Include IDC
Energy Audit	Federally Funded
Equipment Loan Bank	Deterrent - Immaterial
Information & Referral Services	Grant/Aid Recipients
Job Placement	Federally Funded
Long Term Sheltered Workshops Certificates	Grant/Aid Recipients
Rehabilitation Services	Federal Regulations Prohibit Charge

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA

AGENCY
ITEM

RECOMMENDED OR
REASON FOR NOT RECOMMENDING

CORRECTIONS, DEPARTMENT OF

Adult Probation & Parole Services	Unenforceable Without Incurring Much Larger Costs
Correctional Facilities Supervision	Grant/Aid Recipients, Deterrent
Guardianship Fee	Immaterial to Cost of Incarceration
Hotline & Perspective (Publications)	Information Dissemination
Serving Legal Papers for Outside Agencies	RECOMMENDED
Sexual Assault Training Materials Fee	RECOMMENDED LATE FEE, Information Dissemination

HEALTH, DEPARTMENT OF

Clinic Fees-Children with Handicaps	DEFERRED PENDING AGENCY REVIEW DUE FEBRUARY 1985
Construction Plans Approval	AGENCY IMPLEMENTING BY RULE
Disease Control Newsletter	Information Dissemination, Deterrent, Some Federal Funds
Environmental Field Services - Various	Supported by Inspection Fees
Film Distribution	Information Dissemination, Deterrent
Health Care Facilities - Free Brochures	Information Dissemination, Deterrent
Industrial Hygiene Consultation, On-Site	Federally Funded 90/10 - OSHA
Laboratory Oriented Slidetape Programs, Loan	Information Dissemination, Deterrent
Minnesota Groundwater Newsletter	Information Dissemination, Deterrent
Plumbing Inspection	Recovery with Building Code Fee
Radiation Shielding Plan Review	Funded By Related Fee
Statistical Information	Partial Reimbursement, Partially Federal Funded
Technical Consultation	Federally Funded
Time For Choices - Funerals (Publication)	Funded by Related Fees
Water Treatment & Sewage Disposal Systems Plan Inspection	Deterrent, Grant/Aid Recipients

AGRICULTURE, TRANSPORTATION/SEMI-STATE

TRANSPORTATION, DEPARTMENT OF

Aeronautics Films & Slide Shows	Funded by User Taxes
Aeronautics Navigational Aids	Funded by User Taxes
Overweight Permits	Legislation in 1984 Session
Right of Way and Access Permits	ALTERNATIVE OPTION-Funded by Other Related User Taxes
Tax Rate Book	Funded by User Taxes, Required to Compute Tax
Transportation Systems, Providing Information	Most are Charged, Balance is Copying Costs
Utility Right of Way Permits	ALTERNATIVE OPTION-Funded by Other Related User Taxes

TRANSPORTATION REGULATION BOARD

Railroad Applications	RECOMMENDED, Partial Recovery
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PUBLIC SAFETY, DEPARTMENT OF

Deputy Registrar Appointment	ALTERNATIVE OPTION-Coll Fees and Taxes for State, 60% are Units of Govt
Drivers Manual, Other Material, Public Service Information	Information Dissemination, Deterrent, Some Covered by Other Fees
Film Rental Fee	ALTERNATIVE OPTION-Most Users are Units of Government
Fire Prevention Presentations by Fire Safety Personnel	Deterrent, Information Dissemination
Flam & Combustible Liq & L.P. Gas Instl, Eval of Plns	RECOMMENDED
Grant Appl, Crash Data, Assist in Preparing	Grant/Aid Recipients
Instruction Permit for A & B License	RECOMMENDED
Liquor Control Investigations of Liquor Violators	Grant/Aid Recipients, Deterrent, Covered by Other Fees
Mfg and Storage of Explosives, License	IN PROCESS, PRELIMINARY DRAFT PROVIDES \$10 LICENSE FEE FOR DEALERS
Mobile Police Radio Permit	RECOMMENDED
Non-Criminal Justice Records Request Fee	RECOMMENDED, Authority to Charge for Information
Speakers, State Patrol	Deterrent, Information Dissemination
Statistical Reports and Research Data	Current Authority to Charge for Copying

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA AGENCY ITEM	RECOMMENDED OR REASON FOR NOT RECOMMENDING
AGRICULTURE, DEPARTMENT OF	
Bees Importation, Permit for	Funded by Related Fee
Bees or Bee Products, Sale or Movement	Funded by Related Fee
Complaints	Funded by Related Fees, Deterrent, Identification Difficulties
Corporate Farm Registration	ALTERNATIVE OPTION-Information Collection, Deterrent
Custom Processor of Meat, Permit to Operate	Funded by Related Fee
Dutch Elm Disease Sampling	Grant/Aid Recipients, Deterrent
Export Finance Authority	Currently Implementing
Family Farm Application	Deferred Interest Program
Fertilizer Storage Facility, Application to Install	Funded by Related Fee
Fish Processing Establishment, Permit to Operate	Funded by Related Fee
Fish Smoking Operation, Permit to Operate	Funded by Related Fee
Foreign Corn Shipments	Related Fee, Cert Under Fed Control, Can't Charge Per USDA Agreement
Grain Screens, Buyers Permit	ALTERNATIVE OPTION-Deterrent to Compliance
Grain Warehouse Inspection	Funded by Related Fee
Growing Hemp for Commercial Purposes, License	No Activity
Milk Handling Equipment Installers License	RECOMMENDED
Municipal Mosquito Control	Grant/Aid Recipients, Deterrent
Noxious Weed Control, Information and Assistance	Mostly by Phone with Counties
State Flower, Selling of	Immaterial, Permits Mostly for Research/Education
Soil/Plant Pests into State	USDA Issues Permit, Minnesota Advises
Statistics/Subscriptions	Information Collection/Dissemination, 90% Federal Funded
Transport Noxious Weeds, Seeds, Other Propagating Parts	Immaterial, County Issues Permits
ANIMAL HEALTH, BOARD OF	
Animal Carcasses Disposal, Information	Immaterial
Anthrax Vaccine Permit for Administration	Deterrent, Immaterial, One Request Last Fiscal Year
Applications and Forms, Information	Information Dissemination, Deterrent
Auction Market Permits	RECOMMENDED
Bovine Tuberculosis - Intradermal	General Benefit to Public, Mandatory Tests of Suspect Herds
Cattle Dipping For Scabies, Supervision	Dipping is a Discontinued Practice, Injectable Drug Used
Certification for Movement	ALTERNATIVE OPTION-Deterrent, Reciprocity Between States
Garbage Feeding License	Immaterial
Goat Brucellosis - Blood Test	General Benefit to Public, Mandatory Tests of Suspect Herds
Goat Tuberculosis - Intradermal	General Benefit to Public, Mandatory Tests of Suspect Herds
Hatchery Permit	RECOMMENDED
Herd Quarantine Fee	General Benefit to Public, Mandatory Tests of Suspect Herds
Hog Cholera, Sheep Scabies	Immaterial, Eradicated in State
Import Permits, Livestock	ALTERNATIVE OPTION-Deterrent, Reciprocity Between States
Mink Herd Certification	Immaterial
Paratuberculosis - Intradermal/Fecal	General Benefit to Public, Mandatory Tests of Suspect Herds
Pet/Mink Food Processing Permits	RECOMMENDED
Poultry and Miscellaneous Diseases	Part of Herd Quarantine
Pseudorabies Negative/Vaccinated Herd Certificates	RECOMMENDED
Public Exhibition Permit	Grant/Aid Recipients, Mostly Fairs
Pullorum Whole Blood Plate Test Training	Use Workshop Fee for Direct Cost
Quarantined Feedlot Permits	RECOMMENDED
Rabies Informational Film Use	Information Dissemination, Deterrent
Rendering Plant Operation Permits	RECOMMENDED
Shipments to Other States, Information on	Information Dissemination, Immaterial, Usually Given by Phone
Swine Brucellosis - Blood Test	General Benefit to Public, Mandatory Tests of Suspect Herds
Swine Tuberculosis - Investigation	General Benefit to Public, Mandatory Tests of Suspect Herds
Tattoo Swine and Back Tag Cattle, Permit to	Deterrent - Major Objective in Identifying Disease

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA AGENCY ITEM

RECOMMENDED OR REASON FOR NOT RECOMMENDING

BOXING, BOARD OF
Kick/Karate

IN PROCESS AS A CURRENT FEE

PEACE OFFICERS STANDARDS & TRAINING, BOARD OF
POST Administrator's Manual
Keeping POSTed, Monthly Newsletter

Information Dissemination, Grant/Aid Recipients, Deterrent
Information Dissemination, Grant/Aid Recipients, Deterrent

ETHICAL PRACTICES BOARD

Advisory Opinion Request Filing Fee
Candidate Filing Packet
Complaint Filing Fee
Hennepin County Forms
Lobbyist Registration and Reporting
Political Committee/Fund Registraton/Reporting
Principal Campaign Registration/Reporting
Public Officials Economic Interest Filing
Public Information Materials Handout
Report Completion Assistance
Special Mailing Lists
Summaries, Various
Tax Credit and Public Financing Agreement Filing Fee

Deterrent, Immaterial
Deterrent, Information Dissemination
Deterrent
Grant/Aid Recipient, Sec of State Provides to other Units of Government
RECOMMENDED
RECOMMENDED
Public Financing Provided - Pd \$50 Filing Fee
Deterrent
Deterrent, Information Dissemination
Deterrent
Information Dissemination, Deterrent
Deterrent, Prepared for Internal Use
Deterrent, Grant/Aid Recipients

ARTS BOARD
Consultant Services

Grant/Aid Recipients

STATE DEPARTMENTS

SECRETARY OF STATE

Legislative Manual (Blue Book) Sales

ALTERNATIVE OPTION-Information Dissemination, Deterrent

STATE TREASURER

Personal Check Cashing Fee

ALTERNATIVE OPTION-Immaterial, Discontinue Practice Rather than Fee

ATTORNEY GENERAL

Consumer and/or Anti-Trust Complaints

Deterrent, Identification Difficulties

ADMINISTRATION, DEPARTMENT OF

Data Privacy Services
IISAC - Training and Consultant Assistance
911 Emergency Telephone Fee
Northstar Network, Use by Local Government
Parking (Uniformity)
Records Management, Use by Local Government
State Surplus Property Transfer Fee
Use of Buildings (Rallies etc.)

Grant/Aid Recipients, Identification Difficulties
Deterrent, Grant/Aid Recipients
ALTERNATIVE OPTION-Tax, Not A Fee
New Service Proposed
Separate Admin Dept Study, Submitted with Governor's Options
New Service Proposed
New Service Proposed-Grant/Aid Recipients
Current Authority-Now Charge for a Portion of Costs

FINANCE, DEPARTMENT OF

Annual Financial Report, Sale of
Lost & Forged Warrants
Vendor Payment Information

Reciprocity, Deterrent
Identification Difficulties, Immaterial
Current Authority to Charge for Copying Costs

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA
AGENCY
ITEM

RECOMMENDED OR
REASON FOR NOT RECOMMENDING

EMPLOYEE RELATIONS, DEPARTMENT OF

Candidate Examination Fee
Career Counseling, Career Days
Exam Administration For County Welfare Exams
Exam Exchange With Other Jurisdictions
Regional Commission Positions, Advertising

ALTERNATIVE OPTION-Deterrent, Affirmative Action Concerns
Deterrent
Grant/Aid Recipients
Reciprocity
Immaterial, Reciprocity, Grant/Aid Recipients

REVENUE, DEPARTMENT OF

Delinquent Tax Collection Fee
Gross Underreporting of Taxes, Audit Fee
Minn Sales and Use Tax, Permit to Charge
Revenue Recapture Fee
Transportation of Petroleum Products, Permit

RECOMMENDED
RECOMMENDED
Collection is Benefit to State, \$1.00 Fee Abolished 1983 Session
RECOMMENDED
Elimination of Permit is Recommended by Study Team

NATURAL RESOURCES, DEPARTMENT OF

Advanced Hunter Education
Aeration Sys in Pub Waters, Application & Permit
Burning Permit
Construction Use of Iron Bearing Matl, Lease
Dam Safety Inspections
Decorative Trees Transport
Educational Programs
Explorers Registration-Exploratory Boring
Fire Equipment Reimbursement
Fish Toxicants, Permit for Application
Gas or Liquid Underground Storage Permit
Guides & Leaflets
Mining Permit-Iron Ore
Mining Permit-Peat
Peat Inventory & Maps
Private Forest Management and Assistance
Resident Fishing License for Senior Citizens/RR Retirees
Scientific and Natural Area Research Permits
Special Hunts Application Fee
Trail User Fee
Volunteer (Publication)
Water Appropriation Permits, Technical Evaluation Fee
Water Permit Transfer or Amendment
Water/Trail/Park Access Maps
Water Violation Fee
Wildlife Management Area User Fee

RECOMMENDED-Partial Recovery
Deterrent, State Benefit, Issued Mostly to Non-Profit Organizations
Deterrent, Information Dissemination, Volunteers Issue Permits
Related Fees (Sale of Material)
Current Fees
No Permit Issued, Bill of Sale is the Permit
Information Dissemination
Benefit to State, Licensed by Health Department
Currently Authorized
Related Fees, Immaterial
Covered by Current Fees
Related Fees, Information Dissemination
Fee Immaterial to Taconite Production Tax now Paid
New Program, State is Currently Subsidizing
State Subsidized Now
ALTERNATIVE OPTION-Deterrent, Some Current Fees
RECOMMENDED
Research is Beneficial to State
RECOMMENDED
ALTERNATIVE OPTION-Enforcement Problems, Some Current Fees
ALTERNATIVE OPTION-Information Dissemination (Educ), Deterrent
Related Fee, Being Reviewed - Study of Water Approp Prog Revenue 6/30/85
RECOMMENDED
Related Fees, Information Dissemination
RECOMMENDED
ALTERNATIVE OPTION-Enforcement Problems, Some Current Fees

POLLUTION CONTROL AGENCY

Air Quality Permit Fees
Animal Feedlot Permit
Diseased Shade Tree Open Burning Site Permit
Dredging "401" Certification
Low-Level Radioactive Waste Generator
Open Burning Permit
PCB Certificate of Exemption
Water Quality Permit Fees
Water Quality STORET Data Retrieval

RECOMMENDED
Deterrent, Purpose Identify/Assure Proper Setup, Tax Credit
Deterrent, Info Dissemination, Issued Mostly by Other Units Govt
Other Units of Government
CURRENTLY IN PROCESS, EFFECTIVE IN F.Y. 1985
Deterrent, Info Dissemination, Issued Mostly by Other Units Govt
Deterrent
RECOMMENDED
System Federally Funded

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA
AGENCY
ITEM

RECOMMENDED OR
REASON FOR NOT RECOMMENDING

ENERGY & ECONOMIC DEVELOPMENT

Anemometer Loan Program	Immaterial, Deterrent
Business License Cost Distribution (Surcharge)	ALTERNATIVE OPTION-Cost Redistribution
Development Authority, Loan Application Fee	ALTERNATIVE OPTION-New Program-Agcy Will Submit a Proposal Next Session
Development Authority, Origination Fee	RECOMMENDED
Energy-Audit Programs, Regulated Utility Fee	Information Dissemination
Energy-Building Research Center	Grant/Aid Recipient, Other Unit of Government
Energy-Community Technical Assistance	Grant/Aid Recipient, Other Unit of Government
Energy-Fact Sheets, Brochures Etc	Information Dissemination
Energy-Inspection Fee	New Service, Related Service in Administration Building Code
Energy-Rental Standards Enforcement Inspection Fee	Deterrent, Inspection Made on Request, Penalties for not Meeting Code
Energy-Rental Housing Tech Assistance Site Visits	New Service Proposed
Energy-School Technical Assistance	Grant/Aid Recipient
Gas Lamp Variance Permit	Immaterial, Only Renewals for Individuals over 65 Years Old
High Tech Data Base Distribution Cost	Information Dissemination
Licensing Assistance Services Fee	Deterrent, Partial Recovery by License Surcharge
Loan Application Fee	Grant/Aid Recipient, Other Unit of Government
Publications	ALTERNATIVE OPTION-Major Objective, Information Dissemination
Directory of Licenses and Permits	Partial Recovery from License Surcharge, Deterrent to Major Objective
Guide to Starting a Business in Minnesota	Partial Recovery from License Surcharge, Deterrent to Major Objective
Minnesota's Set Aside Program	Information Dissemination
Selling Your Product in the State of Minnesota	Partial Recovery from License Surcharge, Deterrent to Major Objective
Small Business Assistance Directory	Partial Recovery from License Surcharge, Deterrent to Major Objective
Small Business Workshops	Major Objective, Deterrent
Solar Monitoring Equipment Loan Program	Immaterial, Deterrent
Travel Brochures	Information Dissemination, Deterrent, Major Objective
Utility Program Evaluation Fee	Public Utilities Commission Advised of Cost for Inclusion in Assessment

STATE PLANNING AGENCY

Census Data, Public Investment Division	Mostly Used by Other Units of Government
Human Services (Publications)	Information Dissemination
Local Government Services, Assistance	Grant/Aid Recipients, Deterrent
Water Plan, Publications, Speeches, Slide Tape Presentations	Information Dissemination

LABOR AND INDUSTRY, DEPARTMENT OF

Apprenticeship Program	RECOMMENDED
Reopened Case Fund Assessment	Agency is Proposing Repeal
Voluntary Dispute Resolution	Review in 1 Year, After Mediation Program is in Place
Workers Compensation Filing Fee	RECOMMENDED

MEDIATION SERVICES

Arbitrator Empanelling Fee	RECOMMENDED
Arbitration Summaries Service	CURRENT FEE IMPLEMENTED IN F.Y. 1985

PUBLIC EMPLOYMENT RELATIONS BOARD

Arbitrator Empanelling Fee	RECOMMENDED
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VETERANS AFFAIRS, DEPARTMENT OF

Guardianship Service Fee	RECOMMENDED
Representation/Claims of Federal Government	Deterrent, Federal Regulations Prohibit

INDIAN AFFAIRS COUNCIL

Brochures on Indians	Deterrent, Students Largest Recipients
Indian Business Loans, Technical Assistance	Reduced Interest to 2% Making this a Grant Program

LISTING OF POSSIBLE NEW FEES

FUNCTIONAL AREA
AGENCY
ITEM

RECOMMENDED OR
REASON FOR NOT RECOMMENDING

HANDICAPPED, COUNCIL FOR THE

Access Technical Assistance
Connector (Publication)
Information Materials

Information Dissemination, Deterrent
Information Dissemination, Deterrent
Information Dissemination, Deterrent

HUMAN RIGHTS, DEPARTMENT OF

Certificates of Compliance
Discrimination Case Processing
Familial Status Rental Exemption

Deterrent, Immaterial
RECOMMENDED
RECOMMENDED

APPENDIX C

FEE STUDY SURVEY OF OTHER STATES

As a part of the new Fees Issue Study, a general survey concerning their fee setting process was directed to the 49 other states. Responses were received from 36 of the states. Survey responses are discussed below.

1. Type of receipt. Most states use both dedicated and nondedicated receipts in their accounting for fee revenue. Two states deposit all fee receipts as nondedicated: Alaska and South Carolina. Only Oklahoma deposits all their fee related receipts as dedicated.
2. Determination of fee levels. Fee determination in most states is a combination of fees set by law and by the agency. Five states report that all fees are set in law: Massachusetts, Nebraska, North Dakota, Oklahoma and Vermont. In some cases, both where fee levels are determined in law or by the agency, the fee maximums are set in legislation. Agencies may then set the fees up to the maximum limit.
3. Use of a central agency to review and approve fee changes. Nine other states report the use of a central agency to review and approve changes in fee levels. In some of these state, the central agency is either part of the legislature or legislative approval is required for fee changes. Pennsylvania and New York operate in a manner comparable to Minnesota. The Budget Division and the agency periodically review fee levels for necessary revisions. Massachusetts, until the last legislative session, also used these procedures; now, all fees are set by law, but the administration wants to regain this authority.
4. Short descriptions of their fee change process. Descriptions of fee change process are included on the chart for those states which provided information.
5. Revenue compared to cost. Only seven states report an attempt is not made to compare revenue with cost when reviewing fee levels. In most cases, when revenue is compared with cost, indirect costs are distributed to fee producing activities, and included in the review.
6. Fee change notifications. All states report those paying fees are notified of changes, either by public hearings, published agency rules or both.
7. Standard policy for the establishment of new fees. Only four states responded that a standard policy exists in the establishment of new fees. The standard policy for these states is their public hearing (rulemaking process), with agency authority in the statutes.

8. Preparation of Fee Summary Report. Six states prepare fee summary reports. We received copies of the reports from five states: Arkansas, North Dakota, Oregon, Pennsylvania and South Carolina. The state of Minnesota's Biennial Fee Report is just as comprehensive as any of the fee summaries received from other states.

In conclusion, the new fees' study team believes the state of Minnesota's process for review and approval of agency fees is more comprehensive than the procedures followed in most of the states responding to the survey.

The following table summarizes the responses to the fee survey from other states.

APPENDIX C

NEW FEE STUDY
SURVEY OF OTHER STATES

STATE	CENTRAL AGENCY	CHANGE PROCESS	REVENUE COMPARED TO COST	INDIRECT COST	REPORT PREPARED	REPORT RECEIVED	OTHER INFORMATION	NEW/DIFFERENT
ALABAMA	NO	LEGISLATIVE PROCESS	NO		NO	NO		
ARIZONA	NO	AGENCY W/GOV & BUDGET REV	YES	YES	NO	NO	MAX LIMITS IN LEGISLATION	
ALASKA	NO	LEG OR PUB NOTICE/HEARING	SOME		NO	NO	FEE NONDED BY CONSTITUTION	TRY TO CHGE FROM LEG TO REG
ARKANSAS	NO		NO	NO	YES	YES		
CALIFORNIA	NO				NO	NO		
COLORADO	NO	DEPENDS ON HOW FEE IS SET	YES	SOME	NO	NO		
FLORIDA	NO	USUALLY STATUTORILY	YES	YES	NO	NO	FEE RANGES SOMETIMES IN LEG	
GEORGIA	NO	BY AGENCY W/APL GOV & LEG	SOME	SOME	NO	NO		
HAWAII	YES	ADOPT/AMEND OF RULES	YES	NO	NO	NO		
IDAHO	NO	PUBLIC HEARING PROCESS	YES	SOME	NO	NO		
KANSAS	YES	REVIEW BY LEGISLATURE	YES	NO	NO	NO	FEE MAXIMUM SET BY LEGIS	
KENTUCKY	NO	LEGISLATURE OR AGENCY	YES	NO	NO	NO	FEE MAXIMUM SET BY LEGIS	FEE BE EXPENDED FIRST
LOUISIANA	YES	AGENCY, PUB HEAR, LEG, GOV			NO	NO		REVIEW OF EXISTING FEES
MAINE	NO	LEGISLATURE OR AGENCY	YES	SOME	NO	NO	NUMBER OF FEES INCREASED	LEG ALLOCATION OF DED REV
MASSACHUSETTS	YES	AGENCY OR CENTRAL STAFF	NO	NO	NO	NO	REV OF LONG STAGNANT FEES	
MISSOURI	NO		NO	NO	NO	NO		
MONTANA	NO		YES	NO	NO	NO		
NEBRASKA	NO	LEG COMM & BUDGET PROCESS	YES	YES	NO	NO	MAXIMUM LIMITS IN STATUTES	
NEVADA	YES	LEG SESSION & AGENCIES	YES	YES	YES	NO	AGCY NEEDS LEG AUTH FOR FEE	
NEW HAMPSHIRE	NO		YES	YES	NO	NO		
NEW JERSEY	NO	AGENCIES & BUDGET OFFICE	YES	YES	NO	NO		
NEW YORK	YES	AGENCIES & BUDGET DIV	YES	YES	NO	NO		
NORTH DAKOTA	NO	LEGIS & BUDGET OFFICE	YES	YES	YES	NO		
OHIO	NO	NO FORMAL PROCESS	YES	YES	NO	NO		
OKLAHOMA	NO	SUB-COMM MEET WITH AGENCY	NO	NO	NO	NO	SOME MAX LIMITS IN STAT	FEE HAVE BEEN RAISED
OREGON	YES	LEG COMM REVIEWS FEES	YES	YES	YES	YES		
PENNSYLVANIA	YES		YES		YES	YES		
SOUTH CAROLINA	NO	AGENCY AND LEGISLATURE	YES	YES	YES	YES		
SOUTH DAKOTA	NO	AGCY, FINANCE OR LEGIS	YES	YES	NO	NO		
TEXAS	NO	LEGISLATIVE PROCESS	YES	YES	NO	NO	MOST FEES ARE DEDICATED	
UTAH	NO		SOME	SOME	NO	NO	TRY TO EXCLUDE AMTS IN STAT	
VERMONT	NO	LEGISLATIVE PROCESS	NO	NO	NO	NO		
VIRGINIA	YES	PART OF BIENNIAL BUDGET	YES		NO	NO	MORE ATTEN NOW PAID TO FEES	
WASHINGTON	NO		YES	YES	NO	NO		
WISCONSIN	NO		YES	SOME	NO	NO		
WYOMING	NO		NO	NO	NO	NO		

PROPOSED AMENDMENTS

16A.128 FEE ADJUSTMENT~~9~~SETTING.

Subdivision 1. APPROVAL. Fixed ~~f~~fees for accounts for which appropriations are made may not be established or adjusted without the approval of the commissioner. If the fee or fee adjustment is required by law to be fixed by rule, the commissioner's approval must be in the statement of need and reasonableness. These fees must be reviewed each six months annually. Except as determined by the commissioner, adjustments must be made so the total fees nearly equal the sum of the appropriation for the accounts plus the agency's general support costs and statewide indirect costs attributable to the fee function.

Subd. 2. NO RULEMAKING. The kinds of fees that need not be fixed by rule unless specifically required by law are:

- (1) fees based on actual direct costs of a service;
- (2) one-time fees;
- (3) fees that produce insignificant revenues;
- (4) fees billed within or between state agencies; or
- (5) fees exempt from commissioner approval.

Subd. 2a. PROCEDURE. Other fees not fixed by law must be fixed by rule. The procedure for noncontroversial rules in sections 14.21 to 14.28 may be used except that no public hearing may be held. The notice of intention to adopt the rules must state that no hearing will be held. This procedure may be used only when the total fees estimated for the biennium do not exceed the sum of direct appropriations, indirect costs, transfers in, and salary supplements for that purpose. A public hearing is required for adjustments of to fix fees spent under open appropriations of dedicated receipts.

16A.1281 REPORT ON LOW OR HIGH FEES.

In even-numbered years, Each biennium the commissioner shall review fees collected by agencies. By November 15, ~~t~~the commissioner shall report on the fees to the appropriation and finance committees not later than the date the governor submits the biennial budget to the legislature. The report must analyze the fees that the commissioner believes are too low or too high for the service provided. The analysis must take into account the cost of collecting the fee.

RECOMMENDED NEW FEES

APPENDIX E

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

EDUCATION, DEPARTMENT OF

1. PRIVATE VOCATIONAL SCHOOL COURSE EVALUATION.....\$ 200 \$ 4,000

Fee Description

A fee would be charged to each school submitting a course for evaluation. Evaluators outside the department who are experts in their fields are contracted to review the course material.

Fee Purpose

To determine that each occupational course or program of instruction or study shall be of such quality and content as to provide education and training which will adequately prepare enrolled students for entry level positions in the occupation for which trained.

Legislation Requirements

Amendment to M.S. 141.25 required.

Support/Opposition

The private vocational schools may oppose this new fee because it is an additional cost to their operations. The agency supports this new fee.

2. PRIVATE VOCATIONAL SCHOOL MULTIPLE LOCATION APPLICATION.....\$ 25 \$ 5,000

Fee Description

This fee would be charged for each location at which schools offer training programs. Applications are to be submitted, specifying each location at which training programs will be conducted.

Fee Purpose

To ensure all facilities used by a school have met local fire codes. The fee will cover the cost of processing applications and spot checks made by staff at some locations.

Legislation Requirements

Amendment to M.S. 141.25 required.

Support/Opposition

This is an additional cost to the operation of private vocational schools. The agency does not support this fee, because they believe it could be a deterrent to voluntary compliance in providing this information. The fee study team believes this is a reasonable fee with a specific group regulated.

RECOMMENDED NEW FEES

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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EDUCATION, DEPARTMENT OF

3. <u>PRIVATE VOCATIONAL SCHOOL UNAPPROVED TEACHER (LATE FEE).....</u>	\$ 50	\$ 500
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Fee Description

This fee would be charged to Private Vocational Schools (PVS) who fail to obtain the required vocational teacher approvals. Teachers must satisfy the minimum requirements found in Rules of State Board of Education 3530.6900. Many teachers are employed to teach only a few times each year. In addition the majority are employed on a part-time basis.

Fee Purpose

To ensure that the private vocational school employs a sufficient number of qualified instructors trained by experience and education to give the training contemplated.

Legislation Requirements

Amendment to M.S. 141.25 required.

Support/Opposition

Interest groups would have no basis for opposing the fee because it would only occur when they failed to meet the requirements of the present statutes. The agency supports this new fee.

CORRECTIONS, DEPARTMENT OF

4. <u>SERVING LEGAL PAPERS FOR OUTSIDE AGENCIES.....</u>	\$ 10	\$ 1,200
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Fee Description

This fee would be charged to various lawyers, insurance companies, or others, for serving legal documents to inmates at correctional institutions. The agency requests this fee be dedicated.

Fee Purpose

Most legal papers are served by the sheriff of the county where the correctional facility is located. The usual fee is \$10.00 plus mileage. Some attorneys are using the facility staff to serve their documents as a means of avoiding the cost.

Legislation Requirements

Amendment to M.S. 241.01, Subd. 7 required.

Support/Opposition

The agency is divided on this fee. Some institutions believe a fee is appropriate to control usage and because a free service is provided to a specific identifiable group. Other institutions believe this service should be part of the care and custody of inmates. They are also concerned that administrative costs would exceed revenue and collection would be difficult. The fee study team believes this fee should be deposited as a non-dedicated receipt.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
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CORRECTIONS, DEPARTMENT OF

5. <u>SEXUAL ASSAULT TRAINING MATERIALS (LATE FEE)</u>	\$ 5	\$ 500
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Fee Description

Sexual assault training films and slide shows would continue to be available on loan and at no cost. Most users are local criminal justice personnel or victims of crime. A late fee would be imposed when the films or slide shows are not returned by the agreed upon time.

Fee Purpose

To ensure films and slide shows are returned on time. The agency requests this fee be dedicated to generate additional funds for repair and replacement of the materials.

Legislation Requirements

New legislation will be required.

Support/Opposition

The agency does support charging a late fee when films and slide shows are not returned on time. Using organizations would have no basis to oppose a late fee, because they will only be charged when they fail to meet an agreed upon time deadline.

TRANSPORTATION, REGULATION BOARD

6. <u>RAILROAD APPLICATIONS</u>	\$ 50/\$100	\$ 7,500
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Fee Description

This fee would be charged to each railroad company or other group which submits an application to remove rails, close rail agencies, request variances and other rail crossing matters. Crossing petitions would be \$50. Track removal, closings and clearances matters would require a \$100 fee because of the possibility of public hearings.

Fee Purpose

All applications must be published in the board calendar and the public given an opportunity to review the proposed matter. If objections are received, public hearings are held. This fee would recover a portion of those costs. The application process provides benefits to the public by ensuring adequate rail service and safety. The railroad industry benefits by being authorized to remove unneeded track.

Legislation Requirements

Amendments to M.S. 219 required.

Support/Opposition

The railroad industry would probably find this charge controversial because they will be required to pay for a service that has been free. Other surrounding states do not charge a fee for this service, but all think it is a good idea.

RECOMMENDED NEW FEES

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ITEM

RECOMMENDED
FEE RATE

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PUBLIC SAFETY, DEPARTMENT OF

7. FLAMMABLE AND COMBUSTIBLE LIQUIDS AND L.P. GAS INSTALLATION

PLAN REVIEW FEE..... Actual Cost \$ 8,800

Fee Description

Before any construction or new or additional installation for the storage, handling or use of flammable liquids is undertaken in bulk plants, service stations, chemical plants, refineries and processing plants, drawings or blue-prints made to scale must be submitted to the state fire marshall for approval. The fee would be collected upon completion of plan evaluation. Final approval is given following an inspection of the facility by local fire authorities.

Fee Purpose

To ensure the adoption of minimum safety standards for the storage, handling and use of flammable and combustible liquids and L.P. gas.

Legislation Requirements

Amendment to M.S. 299F.19 required.

Support/Opposition

The agency does not support the fee. At the present time, not all companies and individuals with flammable and combustible liquids and/or L.P. gas installations are submitting plans to the State Fire Marshall. They believe the fee would further reduce compliance. The fee study team believes this is a legitimate activity in which to charge a fee since a specific, identifiable group is being regulated. There is one other option which could be considered. The Pollution Control Agency issues hazardous waste facilities permit fees. All of these facilities will be permit holders, so the cost of the Public Safety activity could be included by Pollution Control in determining their permit fees.

RECOMMENDED NEW FEES

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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PUBLIC SAFETY, DEPARTMENT OF

8. <u>INSTRUCTION PERMIT-CLASS A & B DRIVERS LICENSE.....</u>	\$ 5	\$ 15,000
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Fee Description

The fee would be charged to all individuals requesting an instructional permit for class A and B licenses. The permit would be valid for one year, and allow individuals to practice their driving skills on large trucks prior to taking the actual driving test. Currently there is no charge for these permits, a \$4.00 fee is required for Class C instructional permits.

Fee Purpose

The agency has received evidence of abuse of this privilege and feels the fee would diminish the abuse.

Legislation Requirements

Amendment to M.S. 171.06 required.

Support/Opposition

The agency supports this new fee. Since a charge is made for Class C instruction permits, it seems appropriate to charge a fee for Class A and B instructional permits. Iowa and North Dakota charge for these permits while South Dakota and Wisconsin do not require instructional permits. Prospective holders of Class A and B drivers licenses may oppose this additional fee.

9. <u>MOBILE POLICE RADIO PERMITS.....</u>	\$ 2.50	\$ 2,500
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Fee Description

The crime bureau would charge an annual fee for police radio permits. Currently permits are required for any person equipping a motor vehicle with radio equipment capable of receiving a police emergency frequency. Written authorization bearing the signature of the chief law enforcement official whose frequency is monitored must be submitted with the permit request. The parties requesting permits normally are members of the news media, ambulance drivers and volunteer firemen.

Fee Purpose

To limit and control the number of individuals permitted to monitor police emergency frequencies in their vehicle.

Legislation Requirements

Amendment to M.S. 299C.37 required.

Support/Opposition

The agency feels it is appropriate to charge a nominal fee for this task. Parties applying for police radio permits may oppose this charge.

RECOMMENDED NEW FEES

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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AGRICULTURE, DEPARTMENT OF

10. <u>NON-CRIMINAL JUSTICE RECORDS REQUEST FEE</u>\$	4	\$ 16,000
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Fee Description

The fee would be charged for each criminal history record information request for non-criminal justice use. The individual subject of the data must have given their informed consent before the data is released. The requests are normally for employment background checks for apartment caretakers, meter readers, service repair workers, licensed private detectives and security guard companies.

Fee Purpose

Private data may be used and disseminated to any person or agency if the individual subject(s) of the data have given their informed consent. The requesting person should pay the actual cost of making, certifying and compiling the data.

Legislation Requirements

No new legislation is required.

Support/Opposition

This service is an area of increasing demand by public utilities and apartment owners. They as a specific group request the service and should be willing to pay for it.

11. <u>MILK HANDLING EQUIPMENT INSTALLERS LICENSE</u>\$	50	\$ 12,500
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Fee Description

Each milk handling equipment installer would be required to pay an annual licensing fee. The agency would approve only those installation plans from current licensed installers.

Fee Purpose

To monitor the installation of milk handling equipment on farms and in plants to ensure it meets all necessary requirements and standards. Currently, when installations are out of compliance, the producers and processors may have difficulty in getting corrections made, since the responsibility is now theirs and not the installers.

Legislation Requirements

New legislation will be required.

Support/Opposition

This procedure would prevent improper installation but may be opposed by the equipment industry. This licensing program does not exist in any surrounding state.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
<u>ANIMAL HEALTH, BOARD OF</u>		
12. <u>AUCTION MARKET PERMITS</u>	\$ 5/\$100	\$ 10,000

Fee Description

Annual permits are currently required to operate or conduct a community sale of livestock in Minnesota. The sales can only be held at public stockyards or state-federal approved markets for cattle or swine. Community sales are those where livestock from two or more persons are assembled for sale and include regularly organized livestock auction markets, and consignment sales of livestock. The annual fee would be \$5 for a consignment sale permit and \$100 for a market permit.

Fee Purpose

The permit is issued to assure the sales premises are inspected and certified as being in compliance with board rules. The granting of a permit also requires that a veterinarian acceptable to the board be hired to inspect and examine all livestock offered for sale and to prohibit the sale of diseased animals.

Legislation Requirements

No new legislation is required.

Support/Opposition

The agency supports this new fee. The Department of Agriculture also charges markets a \$150.00 annual fee. Their fee is related to financial stability and not health purposes. It may be possible to recover costs in both agencies, with one fee charged by the Agriculture Department. Adding another fee may adversely affect the business climate of the state. This fee would recover 1/2 of costs and be competitive with other states.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
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ANIMAL HEALTH, BOARD OF

13. <u>HATCHERY PERMITS.</u>	\$ 50	\$ 6,700
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Fee Description

Permits are required to conduct and operate buildings and equipment for the purpose of incubating and hatching eggs and for the handling, brooding and selling poults, chicks, ducklings, goslings and progeny of other domesticated fowl. The permits are currently issued without charge, each permit is valid until September 1, following date of issue, unless revoked. This recommendation would require a fee be submitted with each permit.

Fee Purpose

To direct poultry disease eradication programs, through the issuance of annual permits after inspection.

Legislation Requirements

No new legislation is required.

Support/Opposition

The poultry industry will probably oppose this fee. The agency does not support this fee as they believe the poultry industry already does its share in supporting disease eradication programs. This fee would be relatively easy to administer since permits are currently issued. Also, a service is provided to a specific, identifiable group.

14. <u>PET AND MINK FOOD PROCESSING PERMITS.</u>	\$ 50	\$ 200
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Fee Description

Annual permits are issued to pet and mink food processing plants which transport animal carcasses, and decharacterized inedible meat and carcass parts to their plants for the manufacture of pet and mink foods. A veterinarian may be required to inspect carcasses used by the plant and supervise plant sanitation. The fee would accompany the annual permit application and annual inspections would be made.

Fee Purpose

To ensure carcasses of domestic animals used for pet and mink food are suitable for that purpose. Animal carcasses must be disposed of properly to prevent the spread of disease.

Legislation Requirements

Amendment to M.S. 35.82 required.

Support/Opposition

The agency supports this new fee, feeling a reasonable fee covering expenses would be appropriate.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
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ANIMAL HEALTH, BOARD OF

15. <u>PSEUDORABIES NEGATIVE AND VACCINATED HERD CERTIFICATES.....</u>	\$ 25	\$ 1,500
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Fee Description

The board issues a qualified pseudorabies negative herd certificate provided the herd has been free of pseudorabies for the previous twelve months and at least 90% of the swine tested have been in the herd at least 90 days. The board also certifies swine herds as controlled pseudorabies vaccinated herds. All swine six months of age and over must be tested and found negative, and officially vaccinated within 15 days after the date tested. In both cases a one time fee is to be paid when the signed herd agreement form is submitted.

Fee Purpose

Purebred swine seedstock are certified and monitored for freedom from disease. The certification process benefits purebred swine herd owners and swine purchasers.

Legislation Requirements

No new legislation is required.

Support/Opposition

The agency supports this new fee. The certification process directly benefits swine herd owners and purchasers. The certification process already exists, only a fee need be added.

16. <u>QUARANTINED FEEDLOT PERMITS.....</u>	\$ 100	\$ 1,200
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Fee Description

A fee would be charged for each application for approval of any premises to be a quarantined feedlot. The permits expire each year and may be renewed for one year for the same fee. The permits and renewals are currently issued without charge.

Fee Purpose

Quarantined feedlots are confinement areas under official state quarantine for feeding control. The permits are a regulatory function to control quarantined feedlots and to prevent the spread of disease.

Legislation Requirements

No new legislation is required.

Support/Opposition

The agency supports this new fee, to recover the cost of inspecting the feedlots and issuing permits. There are only 6 quarantined feedlots in Minnesota. Of the surrounding states, only North Dakota, with a \$50.00 fee charges for these permits.

RECOMMENDED NEW FEES

AGENCY	1985-87	
<u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>ESTIMATED</u> <u>COLLECTIONS</u>
<u>ANIMAL HEALTH, BOARD OF</u>		
17. RENDERING PLANT OPERATION PERMITS.....	\$ 100	\$ 3,800

Fee Description

The fee would accompany the application for a rendering plant permit. The application includes the name and location of the rendering plant, a description of each truck used in the transportation of carcasses (including license number and truck body number), the location of each collecting station and the signature of the plant owner or his agent. The permits would be issued and inspection made annually.

Fee Purpose

Rendering plants benefit the entire livestock industry by providing for the proper disposal of dead animals. This contributes greatly to disease control and eradication programs.

Legislation Requirements

Amendment to M.S. 35.15 and 35.82 required.

Support/Opposition

The agency believes a reasonable fee would be appropriate. Currently, Wisconsin charges \$100 for rendering plants. Since these services have been without charge in the past, rendering plant operators may oppose the fee.

ETHICAL PRACTICES, BOARD OF

18. <u>LOBBYIST LICENSE FEE</u>	\$ 36	\$ 57,600
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Fee Description

Lobbyists are currently required to register with the agency. The registration is currently without charge. Upon approval of the lobbyist application and payment of the fee, a license will be issued to practice lobbying on behalf of an individual or association. All licenses expire December 31 of even numbered years.

Fee Purpose

The agency registers lobbyists and reports lobbying disbursements by individuals who seek to influence legislative or administrative actions, by communication with or urging others to communicate with public officials. This fee will recover the cost of registering and reporting lobbyist activities.

Legislation Requirements

Amendment to M.S. 10A.05 required.

Support/Opposition

The agency disapproves of this fee, feeling it could impose limitations and increase burdens on individuals and organizations who seek to exercise freedom of speech. This fee would be relatively easy to establish since lobbyists are already registered and a specific, identifiable group is regulated. Also, three of the four surrounding states currently charge lobbyist license fees.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
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ETHICAL PRACTICES, BOARD OF

19. <u>POLITICAL COMMITTEE FUND LICENSE</u>	\$ 40	\$ 25,400
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Fee Description

Political committees and political funds currently must register with the board. This fee would require each political committee or fund, other than a principal campaign committee, pay a fee with their registration request. All licenses expire December 31, of odd numbered years.

Fee Purpose

The Ethics in Government Act requires registration after raising or spending more than \$100 per year to influence the nomination or election of candidates for governor, lieutenant governor, attorney general, secretary of state, state treasurer, state auditor, state senator, state representative, elective judgeships and to promote or defeat a state ballot question. This fee will recover the costs of registering and reporting political committee fund activities.

Legislation Requirements

Will require new legislation in M.S. 10A.

Support/Opposition

The board disapproves of this fee, feeling it could impose limitations and increase burdens on individuals, or associations who seek to exercise freedom of speech. This fee would be easy to establish and collect since the committees funds are currently registered. There is a specific identifiable group being regulated. Surrounding states do not charge this fee.

REVENUE, DEPARTMENT OF

20. <u>DELINQUENT TAX COLLECTION FEE</u>	4 1/2% of liability	\$10,800,000
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Fee Description

This fee would be added to all delinquent tax accounts as a percentage of the amount of delinquent tax owed. The percentage added to delinquent tax accounts would be adjusted annually to reflect changes in collection costs.

Fee Purpose

The cost of collecting delinquent taxes should be paid by the citizens causing the additional work and costs by not paying their taxes in a timely manner.

Legislation Requirements

Amendment to M.S. 270.063 required.

Support/Opposition

The agency supports this new fee. Private collection agencies charge between 25% and 50%. M.S. 270.063 currently provides payments to collection agencies for up to 1/3 of the delinquent amount collected from taxpayers residing outside of Minnesota. If this fee is enacted consideration should be given to charging two fees; a fee for office contacts and a fee for field contacts, so the individual fee more nearly approximates the cost of collection.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
<u>REVENUE, DEPARTMENT OF</u>		
21. <u>GROSS UNDERREPORTING OF TAXES, AUDIT FEE.....</u>	19%	\$2,250,000

Fee Description

This percentage fee would be added to the tax liability of those who understate their taxes by 100% or more, or fail to file, or pay taxes. The fee would be collected as part of the total liability. Examples are included below.

Example 1

A taxpayer files a tax return with a tax liability of \$10,000. Following department audit of the tax return, it is found the taxpayer has understated income, resulting in an increase in tax liability to \$20,000 or more. The taxpayer would be assessed a 19% fee on the additional tax liability over the original \$10,000 paid.

Example 2

A taxpayer fails to file a tax return when due. The department identifies the taxpayer and demands a tax return be filed. A 19% fee would be assessed against the total tax liability.

Example 3

A taxpayer files a return showing a tax liability due, but does not pay the amount required with the filing. A 19% fee would be added to the tax liability to recover the cost of identifying, sending a bill, or other collection efforts.

Fee Purpose

To reimburse the state for the cost of auditing taxpayers who grossly understate their tax liability. The fee will be for cost incurred and should not be considered the same as penalties, since taxpayers request and may receive abatement of penalties.

Legislation Requirements

Amendment to M.S. 270.06 required.

Support/Opposition

Interest groups would have no basis for opposing the fee because it would only be charged when there was a gross violation or failure to meet the requirements of the present statutes. The agency supports this new fee.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
<u>REVENUE, DEPARTMENT OF</u>		
22. <u>REVENUE RECAPTURE FEE</u>	\$ 3	\$ 420,000

Fee Description

The fee would be charged to the claimant for each certification for collection filed with the Revenue Department under the Revenue Recapture Act. Under this system, debts owed state government and certain local governmental units, can be collected by applying any tax refund to the debt. The amount of the fee should then be charged to the debtor as a cost of collection.

Fee Purpose

The Revenue Recapture Act is designed to identify and collect from individuals who both owe a claimant agency money and qualify for a tax refund. The fee will recover the cost of administering the act and pass the costs on to the debtor. The charging of a fee may also control usage.

Legislation Requirements

Amendment to M.S. 270A and 290.50 (6) required.

Support/Opposition

The Human Services Department and other claimants probably will not support this fee because it will increase their administrative costs. The Department of Revenue does not support the fee, because it appears to shift costs from one governmental agency to another. There appear to be two reasons for supporting this fee. While other units of government would pay the fee, some federal reimbursement will occur, at least when a welfare agency is charged. Charging a fee may also legitimately control usage.

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RECOMMENDED NEW FEES

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NATURAL RESOURCES, DEPARTMENT OF

23. ADVANCED HUNTER EDUCATION.....\$ 2/\$4/\$10 \$ 48,300

Fee Description

The agency is involved in both clinics and classes. Currently a \$2.00 fee is charged by sponsoring organizations for two or three hour clinics on deer, waterfowl, grouse, trespass law, archery, etc. Formal sixteen hour courses on hunting, with normally a \$10.00 fee charged by a sponsoring organization are also offered. The sponsoring organizations include sportsman clubs, community education programs and environmental organizations. Currently the volunteer instructors are trained by DNR, and provided training manuals, quarterly newsletters, teaching and classroom props. Under this proposal, DNR rather than the sponsoring organization would collect the class and clinic fees and also pay all the attributable costs.

Fee Purpose

This is a public information program dedicated to Minnesota sportsmen and their continued efforts to preserve wildlife habitat and the privilege of hunting. The program is designed to create better informed hunters and deal with hunter attitude and their behavior, to improve hunter-landowner relationships, improve ethical hunting skills and encourage sportsmanship.

Legislation Requirements

Amendment to M.S. 126.111 required.

Support/Opposition

The agency supports implementing the new fee process. An important aspect of the change is retaining local sponsorship of the programs by local sportsman's clubs.

24. RESIDENT FISHING LICENSES FOR SENIOR CITIZENS/R.R. RETIREES.....\$ 3.25 \$2,185,000

Fee Description

Currently residents 65 years of age and older, railroad retirees and disabled former postal service employees, do not need a fishing license to take fish. This fee would require they purchase a fishing license at 50% of the normal cost of resident licenses.

Fee Purpose

To provide additional revenue for fish management and stocking and to increase reimbursement from Federal Fish Restoration Program (Dingell-Johnson, Wallop-Breaux Fund). Reimbursement from the federal program depends on geographic size (40%) and number of license holders (60%). Based on the current formula each additional license sold will result in an additional \$2.00 to \$3.00 in federal reimbursement. The estimated collections shown above include \$950,000 in additional federal reimbursement.

Legislation Requirements

Amendment to M.S. 98.47 Subd. 1 and 17 required.

Support/Opposition

The agency supports this fee. It can be expected that individuals and groups currently receiving free fishing privileges will oppose the change.

RECOMMENDED NEW FEES

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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NATURAL RESOURCES, DEPARTMENT OF

25. <u>SPECIAL HUNTS APPLICATION</u>	\$ 3	\$ 210,000
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Fee Description

Several hunts exist where the number of participants is limited. Under this fee, all applicants for special hunts (moose, turkey, bear, antlerless deer) will be required to submit a \$3.00 non-refundable application fee for the opportunity of participating in a lottery for a limited number of licenses.

Fee Purpose

The administration of special hunts is costly and time consuming. This application fee would require all participants to pay the costs rather than only the selected license buyers.

Legislation Requirements

New legislation will be required.

Support/Opposition

The agency supports implementing the new application fee. Montana, Wyoming and some other western states currently require non-refundable application fees.

26. <u>WATER PERMIT TRANSFER OR AMENDMENT FEE</u>	\$ 30	\$ 18,000
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Fee Description

This fee would be charged each time modification of a water resources permit is requested in two categories: 1) Transfer to a new owner/operator; and 2) Change in terms and conditions of the permit at the request of the owner/operator.

Fee Purpose

To conserve and utilize the water resources of the state in the best interests of the people of the state, and for the purpose of promoting the public health, safety and welfare.

Legislation Requirements

Amendment to M.S. 105.44 Subd. 10 is required.

Support/Opposition

Individuals requesting a permit transfer or amendment currently pay nothing towards the costs of correcting records. The costs to the agency are similar to those for a new application, therefore a similar fee of \$30.00 should be acceptable.

RECOMMENDED NEW FEES

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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NATURAL RESOURCES, DEPARTMENT OF

27. <u>WATER VIOLATION FEE</u>	Actual Cost Maximum \$500	\$ 48,000
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Fee Description

Actual investigative expense would be billed to those who violate state water laws and fail to obtain the required water permits. This fee will require that violators be subject to the same standards governing water alterations as those applicants who apply for and abide by water permits.

Fee Purpose

Investigation and resolution of water permit violations often involve significant expenditure of professional staff time and state money (a three man crew could invest 2-3 days of work plus travel expense). The water permit violation fee would require reimbursement of these costs by the violator, and hopefully act as a deterrent to future violations.

Legislation Requirements

Amendment to M.S. 105.44 Subd. 10 required.

Support/Opposition

There appears to be no basis for opposing this fee because it will only be charged when the current water resources statutes are violated. The agency supports the fee.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
<u>POLLUTION CONTROL AGENCY</u>		
28. <u>AIR QUALITY PERMITS</u>	\$100/\$1,300	\$ 395,000

Fee Description

There are approximately 700 facilities in the state that are under permit and are monitored and tested for air emissions. If this fee is enacted, a billing invoice will be sent to the permittee annually. Permits are required for installation, operation and indirect sources.

Fee Purpose

By controlling air emissions, the state and its citizens are assured that air environmental quality is maintained and improved so that human health and welfare, animal and plant life and property will not be impaired or damaged. The fees will recover the state's costs for reviewing and acting on permit applications and for implementing conditions of the permits.

Legislation Requirements

Legislation is not needed to implement fees. Legislation will be submitted to allow the agency to set fees under M.S. 16A.128.

Support/Opposition

The agency does support the general concept of charging fees. Because the permits benefit the general public as well as permittees, modification in the proposed fee schedules and consideration for small businesses may be appropriate should these fees be proposed. Of surrounding states, only North Dakota charges permit fees. Permit fees in Michigan were discontinued in 1983, primarily due to anti-business opinion, contested fees and the cost of litigation.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
<u>POLLUTION CONTROL AGENCY</u>		
29. <u>WATER QUALITY PERMITS</u>	\$30/\$2,400	\$ 1,125,000

Fee Description

Water quality permits are currently issued without charge. Water Quality permits include National Pollutant Discharge Elimination Permits, State Disposal System Permits, liquid storage permits and sewer extension permits. If this fee is enacted, a billing invoice would be sent to those permittees that must renew on an annual basis.

Fee Purpose

Through the issuance and regulatory/enforcement activities related to the permits, the agency's goal is to make the state's waters available for their designated use and future uses, and to prevent adverse effects on the public's health, safety and welfare. The fees will recover the state's costs for reviewing and acting on permit applications and for implementing and enforcing the conditions of the permits.

Legislation Requirements

Legislation is not needed to implement fees. Legislation will be submitted to allow the agency to set fees under M.S. 16A.128.

Support/Opposition

The agency does support the general concept of charging fees. Since the permits benefit the general public as well as the permittees, modifications to the proposed fees and consideration for small businesses may be appropriate. None of the surrounding states charge similar fees. Michigan had an annual water quality surveillance and monitoring fee, which was discontinued in 1984.

RECOMMENDED NEW FEES

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

ENERGY AND ECONOMIC DEVELOPMENT, DEPARTMENT OF

30. DEVELOPMENT AUTHORITY, LOAN ORIGATION FEE..... 1% \$ 400,000

Fee Description

The energy and economic development authority has implemented a Small Business Development Loan Program using industrial development bonds (IDB's). Small businesses can borrow money at fixed interest rates for capital assest purchases. If this fee is enacted a 1% origination fee would be added to each loan and paid to the agency at bond closing. This would increase the origination fee from 5% to 6%. The current origination fee is distributed 4% to underwriters and 1% for closing costs.

Fee Purpose

To promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of its citizens; by reducing, controlling and preventing environmental pollution and waste of resources; and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services. This fee will reimburse the state for the staff expenses associated with originating and funding this loan program. Direct expenses such as printing and legal expenses are currently paid by the borrower.

Legislation Requirements

No new legislation is required.

Support/Opposition

The small business community may appose this fee because it increases the costs of receiving loans from the authority. The 1% fee would be added to the loan principal, and repaid over the life of the loan, up to 21 years. This should decrease the effect the fee would have on borrowers.

The rules governing the program would have to be changed to allow for the creation of this fee. Also, this fee is subject to federal arbitrage restrictions governing origination fees when using IDB's. The Authority's special bond counsel believes this fee does fall within the existing regulations concerning arbitrage.

The proceeds of the fee should be deposited in the general fund, if the general fund continues to pay the staff expense. If the staff costs are instead paid from authority receipts, the fee proceeds should be deposited in the energy and economic development authority fund.

RECOMMENDED NEW FEES

<u>AGENCY ITEM</u>	<u>RECOMMENDED FEE RATE</u>	<u>1985-87 ESTIMATED COLLECTIONS</u>
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LABOR AND INDUSTRY, DEPARTMENT OF

31. <u>APPRENTICESHIP PROGRAM</u>	\$ 95	\$ 974,000
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Fee Description

The activity promotes, regulates and supervises apprenticeship training programs in established apprenticeable occupations. Apprentices enter into agreements with committees, employers, associations of employers or employee organizations for participation in approved training programs through employment and supplementary education in related subjects. Every individual apprenticeship agreement is approved through this program. The department believes the individual apprentice would be the most likely person to pay the fee. Other possibilities, are charging either the union sponsor or the employer.

Fee Purpose

The program exists to promote the operation of effective and responsible apprenticeship training programs, to provide a skilled trades labor force in Minnesota, with equal opportunity for all who wish to participate. The fee would recover the cost of providing this service to clientele of the apprenticeship program.

Legislation Requirement

Amendment to M.S. 178 required.

Support/Opposition

The agency disapproves of this fee. They believe the fee would be in conflict with the state and federal governments joint effort to induce the private sector, to help train and employ people, that the fee would tend to bar economically disabled persons and may have a negative impact on the states future income, from apprentices who complete their program, enter the work force and become tax paying citizens.

The study team believes this is a viable area for user fees. Both the apprentice and the employer receive direct benefits and should pay for the service. The apprentice benefits by being paid while learning a trade. The employer benefits through cost savings; apprentices can be paid half the regular journeymans salary. It seems reasonable to charge the fee to both the apprentice and the employer (\$47.50 each).

RECOMMENDED NEW FEES

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

LABOR AND INDUSTRY, DEPARTMENT OF

32. WORKERS COMPENSATION FILING FEE.....\$ 20/\$30

\$ 577,000

Fee Description

A fee would be charged for all filings of worker's compensation claim petitions, answers to petitions, appeals to a rehabilitation review panel and answers to appeals. The document would not be considered filed until the fee is paid. Upon showing of good cause the commissioner of labor and industry could waive the fee.

Fee Purpose

To assure the quick and efficient delivery of indemnity and medical benefits to injured workers at reasonable cost to the employers. These fees will recover a portion of the costs associated with processing workers' compensation claims.

Legislation Required

New legislation in M.S. 176 required.

Support/Opposition

The agency supports this fee to recover a portion of the cost of processing worker's compensation claims. None of the surrounding states charge such a fee, Iowa, recently began consideration of this fee. The fee (\$15 and \$20) as proposed by the agency does not approximate cost, it recovers approximately 38%. The fee study team recommends the fees be established at \$20 and \$30, to allow for recovery of approximately 50%. It is recommended the receipts be dedicated to the Special Workers Compensation Fund.

RECOMMENDED NEW FEES

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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MEDIATION SERVICES, BUREAU OF

33. <u>ARBITRATOR EMPANELLING FEE</u>	\$ 50	\$ 4,000
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Fee Description

The agency maintains a master list of labor arbitrators from which panels of arbitrators are referred to labor and management representatives for both public and private sector disputes. This fee will be an annual charge for placement on the agency's arbitrator roster.

Fee Purpose

The agency's primary goal is to promote a stable and constructive relationship between labor and management in Minnesota. The roster of persons qualified to act as labor arbitrators is one of the activities carried out in order to fulfill the agency's goals.

Legislation Requirements

No new legislation is required.

Support/Opposition

Arbitrators on the roster may oppose this fee, since it is an additional cost to them. But, arbitrators expect to receive economic benefit from placement on the roster, so a fee seems reasonable. The agency supports this new fee.

PUBLIC EMPLOYMENT RELATIONS BOARD

34. <u>ARBITRATOR EMPANELLING FEE</u>	\$ 50	\$ 4,000
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Fee Description

In the same manner as the Bureau of Mediation Services, the agency maintains a list of qualified labor arbitrators. The list of arbitrators is proposed to labor and management advocates for the selection of arbitrator(s) to hear disputes. The arbitrators can hear grievances arising from the interpretation of the terms of a public labor contract and arbitrate impasses relating to the finalization of a public labor-management agreement.

Fee Purpose

The agency promotes consistent and orderly labor relations between public employers and public employee organizations by assisting in the resolution of disputes arising under the Public Employment Labor Relations Act.

Legislation Requirements

No new legislation is required.

Support/Opposition

Arbitrators on the roster may oppose this fee, since it is an additional cost to them. But, arbitrators expect to receive economic benefit from placement on the roster, so a fee seems reasonable.

RECOMMENDED NEW FEES

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

VETERANS AFFAIRS, DEPARTMENT OF

35. GUARDIANSHIP SERVICE FEES..... 5% of Income \$ 60,000

Fee Description

The commissioner of veterans affairs is appointed by various probate courts in Minnesota as fiscal guardian of the estates of incompetent veterans receiving veterans' benefits from the U.S. Veterans Administration. The estate is managed to assure funds are utilized to provide food, shelter, medical treatments and other requirements. Under this fee, the agency would charge 5% of income for maintaining the financial estate of incompetent veterans. The fee would not be charged to veterans in the state veterans homes, those receiving medical assistance or those receiving the minimum VA pension or less.

Fee Purpose

At the present time, private individuals or organizations providing this service, normally charge a fee not exceeding 5%. Bank charges routinely exceed 5% and approach 10%, when special fees and service charges are included. The department typically handles the guardian cases that are difficult and not wanted by private individuals and organizations. This fee would offset the state's cost of providing these services.

Legislation Requirements

Amendment to M.S. 196.051 required.

Support/Opposition

The agency supports charging this new fee to offset the state costs of providing the present guardian services and the cost of increasing social services. Veterans and other social service groups may oppose this fee. Although fees will be waived for veterans with the lowest income, it could appear the state is charging for the services it provides to those needing assistance the most.

RECOMMENDED NEW FEES

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

HUMAN RIGHTS, DEPARTMENT OF

36. DISCRIMINATION CASE PROCESSING..... Actual Cost \$ 366,000

Fee Description

A fee would be charged to the offender as part of any settlement, to offset the cost of discrimination case processing expenses incurred from filing through litigation. The fee would be the actual cost for processing the particular discrimination case. In cases that are litigated the administrative law judge would require the respondent pay the cost as part of the official award of damages or compensation.

Fee Purpose

The fee would require that people or organizations who violate the human rights act pay the cost of any investigation leading to resolution of the violations.

Legislation Requirements

Amendment to M.S. 363 required.

Support/Opposition

Certainly those individuals or organizations who would be billed, would oppose creation of this fee. The agency supports this fee. The current statutes clearly state that they cannot collect reasonable attorney's fees or costs from respondents even when the department is the prevailing party. It seems reasonable that those violating the law pay the cost of investigation.

37. FAMILIAL STATUS RENTAL EXEMPTION FEE.....\$ 50 \$ 6,000

Fee Description

Property owners are allowed to apply for and receive formal exemption certificates allowing them to discriminate with regard to familial status if a majority of their units are occupied by the elderly. This fee would be collected upon application for the exemption certificate.

Fee Purpose

Most landlords of dwellings must in some circumstances designate a number of dwelling units for occupation by families with children. The exemption to the human rights act directly benefits the landlords who will not have to open their rental units to families with children. The fee will recover the cost associated with review and approval of applications and subsequent monitoring.

Legislation Requirements

Amendment to M.S. 363.02 required.

Support/Opposition

The agency does not support this fee because there are very few rental property exemption certificates issued. They feel the revenue generated would be minimal, and an increase in staff would be required to fully address enforcement of this law. However, state government is providing a service to a specific identifiable group, by allowing certain property owners to discriminate based on familial status.

ALTERNATIVE OPTIONS
FEEES NOT RECOMMENDED

APPENDIX F

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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EDUCATION, DEPARTMENT OF

1. <u>PRIVATE VOCATIONAL SCHOOL VOCATIONAL TEACHER APPROVAL APPLICATION....</u>	\$ 5	\$ 2,500
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Fee Description

This fee would be charged to Private Vocational Schools (PVS) submitting applications for vocational teacher approvals. Teachers must satisfy the minimum requirements found in Rules of State Board of Education 3530.6900. Many teachers are employed to teach only a few times each year. In addition the majority are employed on a part-time basis.

Fee Purpose

To ensure that the private vocational school employs a sufficient number of qualified instructors trained by experience and education to give the training contemplated.

Legislation Requirements

Amendment to M.S. 141.25 required.

Reason For Not Recommending

Considered to be part of license fee.

TRANSPORTATION, DEPARTMENT OF

2. <u>RIGHT OF WAY AND ACCESS PERMITS.....</u>	\$ 100	\$ 130,000
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Fee Description

The fee would be charged for all residential, farm and commercial driveway access permits across trunk highway right of way. The Department of Transportation currently issues permits to owners of land adjacent to trunk highways who desire direct private access to the highway.

Fee Purpose

The permit allows owners or occupants of land adjacent to highways to have a right of private access, while also preventing interference with the construction, maintenance and safe use of the highways.

Legislation Requirements

Amendment to M.S. 160.18 required.

Reasons For Not Recommending

Cost is now covered by highway user fees. There is also a general benefit to all citizens since a correctly located entrance is a safety measure.

ALTERNATIVE OPTIONS
FEE NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

TRANSPORTATION, DEPARTMENT OF

3. UTILITY RIGHT OF WAY PERMITS.....\$ 200

\$ 552,000

Fee Description

This permit fee would be charged to all utilities applying for construction or relocation on trunk highway right of way. This permit is currently required and issued free of charge.

Fee Purpose

Electric transmission, telephone or telegraph lines, pole lines, community antenna television lines, railways, ditches, sewers, water, heat or gas mains, gas and other pipe lines, flumes, or other structures may be constructed, placed or maintained across or along trunk highways only in accordance with regulations prescribed by the commissioner of transportation.

Legislation Requirements

Amendment to M.S. 161.45 required.

Reasons For Not Recommending

Expenses are for normal highway purposes, so the costs are paid by highway user fees and taxes. The utilities will not absorb the costs, but will pass it on to consumers.

ALTERNATIVE OPTIONS
FEES NOT RECOMMENDED

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
<u>PUBLIC SAFETY, DEPARTMENT OF</u>		
4. <u>DEPUTY REGISTRAR APPOINTMENT FEE</u>	\$100 + \$2.00/1,000 transactions	\$ 47,200

Fee Description

The Commissioner of Public Safety appoints deputy registrars to collect the payment of taxes and fees for license plates or stickers, the transfer of vehicles, bicycle licenses and other services. If this fee is approved, a billing would be sent at the close of each fiscal year, including a \$100 annual filing fee plus \$2.00 per thousand transactions received during the fiscal year. Deputy registrars may either be public officials or private citizens. Currently a \$3.25 filing fee is either deposited in the treasury of the local government unit, if a public official is the deputy registrar, or retained by the deputy registrar if the deputy is not a public official.

Fee Purpose

Deputy registrars perform a service to the state by collecting the taxes and fees for motor vehicle license plates and stickers. The fee would offset the costs of furnishing forms, training and maintaining inventory controls for license plates and stickers issued to deputy registrars. The monitoring ensures the state collects the correct taxes and fees.

Legislation Requirements

New legislation would be required.

Reasons For Not Recommending

The agency disapproves of this fee. They believe the costs should be absorbed by the state because by collecting taxes and fees the deputy registrars are performing a service to the state. The deputy registrars are being paid for the service provided, the \$3.25 filing fee. The team felt that rather than imposing a new fee, to recover these costs, reducing the filing fee retained by the registrars, should be considered.

ALTERNATIVE OPTIONS
FEEES NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

PUBLIC SAFETY, DEPARTMENT OF

5. FILM RENTAL FEE.....\$10 (Average) \$ 160,000

Fee Description

This fee would be charged to other state agencies, schools, law enforcement agencies, civic groups and other public and private organizations renting films from the Public Safety Department's film library. Films are available in the areas of crime and fire prevention, traffic safety and natural or man made disasters.

Fee Purpose

The fee is considered in order to continue to provide timely, high quality, low cost educational material. The films are informative and usually used with a talk or in a classroom to support the specific subject.

Legislation Requirements

New legislation would be required.

Reasons For Not Recommending

As a general criteria, fees were not recommended when the major objective is informing the public or when most, or all, of those who would pay the fee receive grants or aid from the state. This service meets both these criteria for exception. The agency recommends approval of this fee, to assure new films can be purchased and to maintain the current film library.

ALTERNATIVE OPTIONS
FEEES NOT RECOMMENDED

AGENCY
ITEM

<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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AGRICULTURE, DEPARTMENT OF

6. <u>CORPORATE FARM REGISTRATION</u>	\$ 25	\$ 61,000
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Fee Description

All corporations involved in farming, owning and leasing agricultural land must register an annual report form and be certified. The \$25.00 annual fee would accompany the corporate report form.

Fee Purpose

The legislature finds it is in the best interests of the state to encourage and protect the family farm as a basic economic unit, to insure it as the most socially desirable mode of agricultural production, and to enhance and promote the stability and well-being of rural society in Minnesota.

Legislation Requirements

Amendment to M.S. 500.24 required.

Reason For Not Recommending

There has been a certain amount of resistance to filing the required report currently called for in the statute. This fee could generate additional ill will toward the state. Cost of administering the program will increase because of procedures to account for and deposit fee receipts.

ALTERNATIVE OPTIONS
FEES NOT RECOMMENDED

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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AGRICULTURE, DEPARTMENT OF

7. <u>GRAIN SCREENS, BUYERS PERMIT</u>	\$ 40	\$ 2,000
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Fee Description

Grain screenings intended for livestock feeding cannot be sold to animal producers if they contain weed seeds in excess of legal limits. If the seller is not equipped to devitalize or remove the weed seeds, he may only sell to a person or firm with the necessary facilities to devitalize the seeds. An animal producer wishing to purchase these screenings must obtain an annual permit. There currently is no fee for the permit.

Fee Purpose

To ensure all grain screenings intended for animal feeding purposes either; contain restricted weed seeds within the legal limit or the weed-seed infested grain has been devitalized or will be devitalized by the consumer.

Legislation Requirements

Amendment to M.S. 21.71 to 21.78 required.

Reason For Not Recommending

Considered to be a deterrent to voluntary compliance with the Minnesota Screenings Act.

ANIMAL HEALTH, BOARD OF

8. <u>CERTIFICATION FOR MOVEMENT</u>	\$ 5	\$ 2,600
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Fee Description

This activity provides information on the health importation requirements of other states for animals being exported from Minnesota and approves health certificates for their movement so shipments comply with the requirements of the state of destination. Currently the certificates are issued without charge. The certifications are normally requested by telephone. If a fee is charged, the certificates would not be approved by phone, and the fee would accompany the request.

Fee Purpose

This is a requirement of the U.S. Department of Agriculture, regulating the movement of animals interstate, so certain health requirements are met.

Legislation Requirements

Amendment to M.S. 35 required.

Reason For Not Recommending

A fee would be a deterrent, resulting in less cooperation, and it would be difficult to enforce and administer. There is also reciprocity between states, other states do not collect fees for importing or exporting livestock.

ALTERNATIVE OPTIONS
FEE NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

ANIMAL HEALTH, BOARD OF

9. IMPORT PERMITS, LIVESTOCK.....\$ 5 \$ 29,000

Fee Description

Currently, permits are required to import certain classes of livestock into the state. The permits are normally requested by telephone and are mailed on the day requested. A health certificate issued by an accredited veterinarian from the state of origin must accompany the shipment. To charge a fee, the permits could no longer be given by phone, and the fee would accompany the request for the permit.

Fee Purpose

Import permits allow the state and the livestock industry to have more control over the shipment of livestock into the state. They are designed to protect the health of the state's current livestock by assuring only disease free animals are imported.

Legislation Requirements

No new legislation is required.

Reasons For Not Recommending

A fee would be a deterrent, resulting in less cooperation, and it would be difficult to administer and enforce. There is reciprocity between states, none of the other states collect a fee for livestock import permits.

ALTERNATIVE OPTIONS
FEES NOT RECOMMENDED

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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SECRETARY OF STATE, OFFICE OF

10. <u>LEGISLATIVE MANUAL (BLUE BOOK) SALES</u>	\$ N/A	\$ N/A
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Fee Description

Currently 15,000 copies of the Legislative Manual (blue book) are printed and distributed without charge to legislators, the historical society, state universities and colleges, state agencies, public libraries and others. Except for a minimal number of free copies the book would be sold if this fee is approved.

Fee Purpose

The Legislative Manual is prepared as a convenient source of information about state government and state officials. It includes; the Federal and State Constitutions, a list of members of the State House and Senate, committees and employees; the names of all persons holding office in the state under the national government; the residences of the officials and their annual compensation.

Legislation Requirements

Amendments to M.S. 508 required.

Reasons For Not Recommending

The Blue Book is distributed for information dissemination purposes, selling the book would be a deterrent to that purpose. An attempt was made to sell the book in 1976, but it was unsuccessful. A selling price and revenue from sales for the manual have not been estimated. We are unable to determine demand for the manual if it were to be sold.

ALTERNATIVE OPTIONS
FEES NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

STATE TREASURER, OFFICE OF

11. PERSONAL CHECK CASHING FEE.....\$.25

\$ 8,600

Fee Description

A fee would be charged to each legislator or other state employee for cashing personal checks. State warrants would continue to be cashed without charge.

Fee Purpose

As a convenience to state employees and legislators in the capitol complex, the Treasurer's Office cashes personal checks. This fee would recover a portion of the Treasurer's check cashing costs.

Legislation Requirements

No new legislation is required.

Reasons For Not Recommending

The expected revenue from this fee is \$17.00 a day, and would not be worth the confusion created, or the additional daily deposits and audit reconciliation. Other options should be considered: increasing the fee to \$1.00, which would drastically reduce the number of personal checks and perhaps result in less than \$17.00 per day; or discontinuing the service, and no longer cashing personal checks.

ADMINISTRATION, DEPARTMENT OF

12. 911 EMERGENCY TELEPHONE FEE..... 1.25%

\$ 8,640,000

Fee Description

An excise tax levy of 1.25% of exchange access charges would be collected by each telephone service provider in counties where the 911 emergency service has been established.

Fee Purpose

The 911 emergency telephone service program provides access to all emergency services in Minnesota by dialing 9-1-1. All counties in Minnesota are required to have operating 911 systems by December 15, 1986. The fees will provide funds for modification of central switching equipment, recurring costs of central office switching equipment and trunking, and the upgrading of existing 911 service.

Legislation Requirements

Amendment to M.S. 403.11 required.

Reason For Not Recommending

This is viewed as a tax not a fee, since the charges are not based on usage and the benefit is equally distributed among all Minnesotans. The agency recommends the tax not begin until all counties complete implementation to maintain program momentum.

ALTERNATIVE OPTIONS
FEEES NOT RECOMMENDED

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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EMPLOYEE RELATIONS, DEPARTMENT OF

13. <u>CANDIDATE EXAMINATION FEE</u>	\$ 6.50	\$ 458,000
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Fee Description

A fee would be charged to all applicants for competitive open examinations. "Competitive open" means eligibility to compete in an examination for state employment is extended to all persons. Promotional examinations would continue to be without charge because of the states' commitment to advancement and mobility and the negative impact on labor-management relations. The fee could be waived for individuals receiving public assistance. Unemployment compensation would not be grounds for a waiver.

Fee Purpose

It is the states' policy to maintain an efficient and effective merit based personnel management system. The system is to provide means to recruit, select and develop an effective, productive and responsive work force for state government. This fee would help partially recover the states examination costs.

Legislation Requirements

Amendments to M.S. 43A.02 and M.S. 43A.10 required.

Reasons For Not Recommending

Charging a fee for applying for state employment will hamper the states' affirmative action efforts, result in delays in filling vacancies, have a negative impact on labor-management relations, and be seen as a tax on those least able to pay; the unemployed and economically disadvantaged. If this fee is collected, the net fiscal impact must be reduced by approximately \$185,000 in indirect costs that could no longer be collected.

ALTERNATIVE OPTIONS
FEE NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

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COLLECTIONS

NATURAL RESOURCES, DEPARTMENT OF

14. <u>PRIVATE FOREST MANAGEMENT AND ASSISTANCE</u>	\$1/\$2 per acre \$150/appraisal \$200 sale	\$ 338,500
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Fee Description

Private woodland owners whose ownership does not exceed 1,000 acres of forest land are eligible to receive a maximum annual service of four person days of technical assistance. The technical assistance includes:

1. detailed, brief or revised multiple use planning;
2. timber sales contract and bid preparation;
3. volume estimates for timber designated for harvest;
4. forest produce marketing and utilization;
5. reforestation and timber stand improvement;
6. state tree planner rental;
7. insect and disease evaluation and damage assessment; and
8. referral to consulting foresters, vendors or tax advisors.

Technical assistance is currently provided without charge, and would be charged to all owners requesting the service.

Fee Purpose

This service exists to improve private forest management, to provide technical assistance to the maximum number of forest landowners in the management of their resource for multiple use benefits, and to encourage the private sector to become involved in providing professional assistance to small woodland owners.

Legislation Requirements

Amendment to M.S. 88.79 required.

Reasons For Not Recommending

40% of Minnesota's forests are privately held. Through improvements of this resource, the state benefits through jobs and taxes. The technical service provided is general, introductory and educational in nature. It is the states' goal to increase forest management, including sound tree harvesting practices on private land. Charging a fee for the service would be a deterrent to this goal.

ALTERNATIVE OPTIONS
FEE NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

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COLLECTIONS

NATURAL RESOURCES, DEPARTMENT OF

15. TRAIL USER FEE.....\$ 5/\$20 \$ 928,000

Fee Description

The Natural Resources Trails Unit is responsible for the operation of over 2,600 miles of state park, forest and other state trails. Through grant-in-aid funding, the unit also administers over 6,500 miles of snowmobile and 500 miles of ski touring trails. Under this fee, every individual using an established trail in the state, except those federally owned, would be required to purchase a license.

Snowmobile	\$6.00
Skiing	\$5.00
Hiking	\$5.00
Bicycling	\$5.00
Horseback Riding	\$5.00
All Trails Use	\$20.00

Fee Purpose

Currently revenue from the snowmobile registration fees and the cross country ski license is used for trail maintenance and operation. This new fee would require that other users pay their fair share of the trails program.

Legislation Requirements

Amendment to M.S. 85.42 (cross country ski license) and new legislation required.

Support/Opposition

The agency does not support this new fee. Licensing additional trail users will increase administrative costs, enforcement would be very difficult, and there currently are related fees, such as the parks entrance stickers.

ALTERNATIVE OPTIONS
FEEES NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

1985-87
ESTIMATED
COLLECTIONS

NATURAL RESOURCES, DEPARTMENT OF

16. VOLUNTEER MAGAZINE SUBSCRIPTION FEE.....\$ 5 \$ 230,000

Fee Description

The Minnesota Volunteer is a bi-monthly magazine published by the agency. The subscription fee would be charged annually to each individual wishing to receive the magazine.

Fee Purpose

The Volunteer is published to inform and educate the people of Minnesota about the state's natural resources -- especially how to appreciate, protect and manage the forests, rivers, lakes, state parks and trails, and the state's wildlife, fish and mineral wealth.

Legislation Requirements

New legislation would be required.

Reasons For Not Recommending

A subscription fee would be inconsistent with the purpose of the publication which is public education. Additionally, a subscription fee will increase costs because of: 1) subscription service requirements; 2) loss of free artwork, photography, author articles; and 3) loss of current reader gift contributions.

The study team recommends the agency more aggressively seek donations, develop a system to more easily add new subscribers, and develop a system to allow non state residents to pay a fee and become subscribers.

17. WILDLIFE MANAGEMENT AREA USER FEE.....\$ 4 \$ 450,000

Fee Description

People who utilize wildlife management areas, and do not have a small game hunting license would be required to annually purchase a \$4.00 permit. Currently, the small game license buyer has provided most of the support for the acquisition of wildlife management areas. The fee would allow other users, birdwatchers, hikers etc., to also support the program.

Fee Purpose

Establishing and maintaining public hunting grounds, game refuges and food and cover planting areas.

Legislation Requirements

Amendment to M.S. 97.482 required.

Reasons For Not Recommending

Enforcement would be a problem. There are 950 wildlife management areas in the state, totalling 520,000 acres. Many people would be reluctant to buy a permit and would either violate the law or simply not use the areas. The fee would be for secondary uses of these public lands for which no specific services are provided. Unless a fee is charged for public use of all state lands, this fee should not be considered.

ALTERNATIVE OPTIONS
FEE NOT RECOMMENDED

<u>AGENCY</u> <u>ITEM</u>	<u>RECOMMENDED</u> <u>FEE RATE</u>	<u>1985-87</u> <u>ESTIMATED</u> <u>COLLECTIONS</u>
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ENERGY & ECONOMIC DEVELOPMENT, DEPARTMENT OF

18. <u>BUSINESS LICENSE COST DISTRIBUTION (SURCHARGE)</u>\$	N/A	\$ 713,400
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Fee Description

Under current law, every agency issuing or renewing a business license is to impose a surcharge of one percent, or \$10, whichever is the lesser amount. The study team recommends the surcharge be abolished, because it appears to only be a minor nuisance fee - fee revenues were less than \$45,000 for the 1982-1983 biennium.

The alternative option to consider is to distribute the costs of the bureau of business licenses to all state agencies issuing business licenses. Each agency would be required to recover their share of the bureau's cost by increasing their license fees.

Fee Purpose

The bureau of business license assistance was established to provide a centralized state government office from which business license applicants could obtain comprehensive license information and assistance.

This alternative option would result in those businesses receiving services from the bureau, actually paying the costs, through increased license fees.

Legislation Requirements

Amendment to M.S. 116J.87 required.

Reasons For Not Recommending

The current surcharge is not even recovering 10% of the cost of the business license bureau. Requiring that these costs be recovered by increasing all business license fees, will result in large increases in all license fees. This cost recovery method will probably generate additional ill will toward the state. There is clearly a public purpose in economic development and job creation by providing this service free of charge.

ALTERNATIVE OPTIONS
FEES NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

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ENERGY & ECONOMIC DEVELOPMENT, DEPARTMENT OF

19. DEVELOPMENT AUTHORITY, LOAN APPLICATION FEE.....\$ N/A \$ N/A

Fee Description

A fee would be charged for each small business application for financial assistance from the Minnesota Energy and Economic Development Authority. The application evaluation process involves many staff hours and is a mechanism to allow serious applicants to apply for financial assistance and to discourage frivolous applications.

Fee Purpose

To implement loan programs and to provide financial assistance under the economic development fund by which the authority alone or in cooperation with cities, towns, counties and private or public lenders, may provide adequate funds or financing incentives on sufficiently favorable terms to assist and encourage the establishment, maintenance, and growth of eligible small businesses and employment opportunities in Minnesota and to reduce to a manageable level, the cost of the control of pollution and disposal of waste resulting from the operations of eligible small businesses.

Legislation Requirements

No new legislation required.

Reason For Not Recommending

This is a new program. The agency currently has authority to establish fees to cover the cost of issuing obligations and providing technical assistance services. The agency is now reviewing this service, and will submit a proposal next session.

ALTERNATIVE OPTIONS
FEES NOT RECOMMENDED

AGENCY
ITEM

RECOMMENDED
FEE RATE

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ENERGY & ECONOMIC DEVELOPMENT, DEPARTMENT OF

20. PUBLICATIONS, SALE OF.....\$ N/A \$ N/A

Fee Description

The office of business licensing and information prepares and distributes various business related publications:

- Mini Directory of Licenses and Permits
- State of Minnesota Directory of Licenses and Permits
- Small Business Assistance Directory
- A Guide to Starting a Business in Minnesota
- Selling your Product to the State of Minnesota
- Minnesota's Set Aside Program

These publications are all currently available, on request, free of charge to the general public. Statutes specifically prohibit charging for the two directories of licenses and permits.

The three larger publications; Directory of Licenses and Permits, Small Business Assistance Directory and A Guide to Starting a Business in Minnesota, could be sold to those requesting copies. Free copies would only be provided to schools, libraries, and other state agencies. Estimates for the sales price and revenue have not been made, because the demand is unknown.

Fee Purpose

The publications are a part of the agency's duty to plan and develop an effective business information service, for the direct assistance of business and industry of the state, and for the encouragement of business and industry outside the state to use economic facilities within the state.

Legislation Requirement

Amendment to M.S. 116J.84 to allow agency discretion to charge.

Reason For Not Recommending

For the present, there is a clear public purpose of economic development, job creation and small business health in making these publications available without charge. We do recommend the amendment to M.S. 116J.84, allowing the Commissioner of Energy and Economic Development, to sell the license directories, when in his judgement they should not be provided free of charge.