

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC SERVICE

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

STATEMENT OF
NEED AND REASONABLENESS

The Department of Public Service is required by Minnesota Statutes, Sections 239.10 and 239.52, to recover the full direct and indirect costs of all weights and measures related inspection and testing operations except: petroleum quality testing, checkweighing, certain complaint investigations and court appearances on behalf of other government agencies. The cost of inspecting retail gasoline pumps and bulk fuel delivery meters is recovered indirectly by the Department of Revenue under the requirements of Minnesota Statutes, Sections 239.10 and 296.13. The rule amendments proposed in this rulemaking are designed to comply with the requirements of Minnesota Statutes.

The Department proposes to amend the rules so that the fees more closely reflect the projected fiscal year 1986 costs of weighing and measuring device inspection. The system used by the Department relies on flat rate fees rather than straight hourly rates. This avoids many potential problems of miscalculation and misapplication. Each flat rate is based on the actual average cost of performing an individual inspection and test. The fees include the direct cost of the inspection plus a proportional amount of administrative, equipment and travel costs, and a proportion of the cost of monitoring the repair of weighing and measuring devices. The fees do not include any of the costs specifically excluded by statute. The total amount to be recovered in fiscal year 1986, including the costs recovered by the Department of Revenue, will not exceed the actual cost of providing inspection and testing services. The fees have been approved by the Commissioner of Finance. A copy of that approval is attached.

The proposed amendments include some important changes in the fee rule beyond simple increases in the fees. In Subpart 1, Item A, there are three new fees designed to limit the increases for intermediate capacity scales and set flat rates for higher capacity scales which were formerly assessed hourly fees. In Item C, the fees for petroleum measurement equipment have been eliminated as required by Minnesota Statutes. Also in Item C, new language has been added to continue to provide a fee for meters not covered by the Petroleum Inspection Fee.

As required by Minnesota Statutes, Section 14.115, the Department has considered the impact of these proposed fees on small businesses. There are several changes in the fees which will affect small businesses operating weighing and measuring devices. The consideration of each of the required methods of reducing the impact of the proposed rules follows:

A. ESTABLISHMENT OF LESS STRINGENT REPORTING OR COMPLIANCE REQUIREMENTS:

Generally, a flat rate fee system favors small businesses because the indirect cost of an inspection is proportionally higher for a location with very few devices to be inspected. The flat rate system averages the indirect cost of the inspections and allows small businesses to pay fees that are actually below cost. The proposed amendment also establishes less stringent requirements by substituting the favorable flat rate fee system for the existing hourly fee system for scales of 2,001 lbs. capacity up to 10,000 lbs. capacity. Other less stringent compliance requirements which benefit both small and large businesses are:

1. Most inspection fees for petroleum measurement equipment have been eliminated.
2. Most of the heavy capacity scale inspection fees have increased only slightly because of improvements in productivity.

B. ESTABLISHMENT OF LESS STRINGENT SCHEDULES OR DEADLINES FOR COMPLIANCE OR REPORTING REQUIREMENTS:

All fees are payable in thirty days. However, the department does not charge interest or assess penalties for late payment of fees. This benefits small businesses because payment can be delayed without increasing costs.

C. CONSOLIDATION OR SIMPLIFICATION OF COMPLIANCE OR REPORTING REQUIREMENTS:

The greatest burden caused by any regulatory fee system is the cost of the fees to all of the regulated persons or businesses. This burden is statutorily mandated and cannot be avoided or reduced. The department, however, has made an effort to simplify all other aspects of the fee system. Invoicing and payment requirements are very direct and can be easily understood. Department field personnel are trained to respond openly and honestly to all questions and concerns about the fee system.

D. ESTABLISHMENT OF PERFORMANCE STANDARDS TO REPLACE DESIGN OR OPERATIONAL STANDARDS REQUIRED IN THE RULE:

This method is not applicable.

E. EXEMPTION OF SMALL BUSINESSES FROM ANY OR ALL REQUIREMENTS OF THE RULE:

Minnesota Statutes, Section 239.10, does not provide for any exemptions from the fees. Fees are not paid directly for inspection of petroleum measurement equipment but the cost of these inspections is recovered indirectly through the Petroleum Inspection Fee collected by the Department of Revenue.

Office Memorandum

DEPARTMENT Public Service
Weights and Measures Division

TO: Allen A. Yozamp

DATE: July 11, 1985

FROM: Michael Blacik *MB*

PHONE: 341-7200

SUBJECT: APPROVAL OF FEES

This memorandum is a request for approval by the Commissioner of Finance of a new schedule of fees to be adopted by the Weights and Measures Division of the Department of Public Service.

The FY 86 fee schedule was submitted for your approval on June 11th. We are asking for approval again because we have decided to reduce the levels of some of the fees, particularly the fees for small capacity scales.

A copy of our June 11th memorandum is attached. A copy of the new proposed fee schedule is also attached.

Approved:

Allen A. Yozamp
Allen A. Yozamp, Director
Budget Operations & Support

7-16-85
Date

DEPARTMENT Public Service
Weights and Measures Division

Office Memorandum

TO: Allen A. Yozamp
Josie Ashton

DATE: June 11, 1985

FROM: Michael Blacik *MTB*

PHONE: 341-7200

SUBJECT: APPROVAL OF FEES

This memorandum is a request for approval by the Commissioner of Finance of a new schedule of fees to be adopted by the Weights and Measures Division of the Department of Public Service.

The fees are to be adopted by rule under the requirements of Minnesota Statutes, Section 16A.128. Approval by the Commissioner is required for these fees and will be included in the Statement of Need and Reasonableness.

It is necessary to increase the Weights and Measures Division fees for FY 86 because the Division's billable costs have increased. Billable costs, as defined by Minnesota Statutes, Section 239.52, are projected at \$846,700. The current, or FY 85 level, fees are projected to provide an income of only \$731,980. Income from the proposed FY 86 fees will be approximately \$853,000.

The fees should be increased on July 1, 1985. However, due to the delay in obtaining a final budget figure and the forthcoming delays in the noncontroversial rules process, we expect to have the fees in effect on September 1st.

The following documents are enclosed:

1) A proposed fee schedule which contains the FY 85 level fees, the proposed FY 86 level fees and the percent of change. The schedule is dated June 7, 1985;

2) A first draft of the rule to adopt the fees. It is identified as a first draft and is dated June 10, 1985. The rule language may be changed slightly prior to publication but the amounts of the individual fees will not change; and

3) A copy of the Department of Finance Fee Review sheet and an accompanying fee review detail.

Approved: *Allen A. Yozamp*

Allen A. Yozamp, Director
Budget Operations & Support

6-17-85
Date

PROPOSED FEE SCHEDULE

<u>DEVICE CATEGORY</u>	<u>CURRENT FEE</u>	<u>PROPOSED FEE</u>	<u>PERCENT CHANGE</u>
SCALES (general)			
0 - 6 lbs	\$11.00	\$11.00	0%
7 - 250 lbs	11.00	12.50	+ 14%
251 - 1,100 lbs	18.00	21.00	+ 17%
1,101 - 2,000 lbs	45.00	50.00	+ 11%
2,001 - 4,000 lbs	45.00	55.00	+ 22%
4,001 - 6,000 lbs	hourly	100.00	+ 11% est.
6,001 - 10,000 lbs	hourly	125.00	+ 19% est.
SCALES (specific)			
Vehicle - 2 section	120.00	130.00	+ 8%
3 section	150.00	160.00	+ 7%
4 section	165.00	175.00	+ 6%
5 section	175.00	185.00	+ 6%
Railroad Track	250.00	275.00	+ 10%
Hopper - terminals	180.00	200.00	+ 11%
fertilizer	100.00	125.00	+ 25%
Grain & other	100.00	-----	
Livestock	100.00	125.00	+ 25%
Wheel Load Weigher	60.00	70.00	+ 17%
Jewel, Pharm, Etc.	50.00	55.00	+ 10%
LIQUID MEASURING DEVICES			
Petroleum Pumps	13.00	-----	
Vehicle Tank Meters	40.00	-----	
Dock Meters	40.00	48.00	+ 20%
Ag Chemical Meters	40.00	48.00	+ 20%
LPG Meters	50.00	55.00	+ 10%
LINEAR MEASURING DEVICES	15.00	15.00	0%
PLACING IN SERVICE PERMIT	40.00	50.00	+ 25%
LABORATORY CALIBRATION	75.00/hr	75.00/hr	0%
HOURLY RATES			
Light Duty	45.00/hr	50.00/hr	+ 11%
Heavy Duty	60.00/hr	65.00/hr	+ 8%
Laboratory	75.00/hr	75.00/hr	0%

2 7650.0100 INSPECTION FEES.

3 Subpart 1. Generally. The Weights and Measures Division
4 of the Department of Public Service shall charge the following
5 fees for all regular and special inspections as required by
6 Minnesota Statutes, sections 239.10 and 239.52:

7 A. For ~~small~~ scales classified by capacity;

8 (1) \$11 for scales up to and including 6 pounds
9 capacity;

10 ~~(1)~~ (2) ~~\$11~~ \$12.50 for scales of 7 pounds capacity

11 up to and including 250 pounds capacity;

12 ~~(2)~~ (3) ~~\$18~~ \$21 for scales of 251 pounds capacity up

13 to and including ~~1,000~~ 1,100 pounds capacity; and

14 ~~(3)~~ (4) ~~\$45~~ \$50 for scales of ~~1,001~~ 1,101 pounds

15 capacity up to and including ~~4,000~~ 2,000 pounds capacity;

16 (5) \$55 for scales of 2,001 pounds capacity up to

17 and including 4,000 pounds capacity;

18 (6) \$100 for scales of 4,001 pounds capacity up to

19 and including 6,000 pounds capacity; and

20 (7) \$125 for scales of 6,001 pounds capacity up to

21 and including 10,000 pounds capacity.

22 B. For specific classes of scales;

23 (1) ~~\$120~~ \$130 for a two section vehicle scale;

24 (2) ~~\$150~~ \$160 for a three section vehicle scale;

25 (3) ~~\$165~~ \$175 for a four section vehicle scale;

26 (4) ~~\$175~~ \$185 for a five section vehicle scale;

27 (5) ~~\$250~~ \$275 for a railroad track scale;

1 (6) ~~\$180~~ \$200 for a heavy capacity hopper scale
2 located at a terminal elevator;

3 (7) ~~\$100~~ \$125 for a fertilizer, ~~grain, or other~~
4 hopper scale;

5 (8) ~~\$100~~ \$125 for a livestock scale;

6 (9) ~~\$60~~ \$70 for a wheel load weigher used for law
7 enforcement purposes; and

8 (10) ~~\$50~~ \$55 for a jeweler's, pharmaceutical, or
9 analytical balance.

10 C. For liquid measuring devices;

11 ~~(1) \$13 for a petroleum product pump;~~

12 ~~(2) \$40 for a vehicle tank meter or bulk meter;~~

13 and

14 (1) \$48 for agricultural chemical meters and petroleum
15 bulk meters used to measure petroleum products for which the
16 petroleum inspection fee required by Minnesota Statutes, section
17 296.13 has not been paid; and

18 ~~(3)~~ (2) ~~\$50~~ \$55 for a liquified petroleum gas meter or
19 stationary dispenser of liquified petroleum gas.

20 D. For a linear measuring machine, \$15.

21 E. For issuance or renewal of a placing-in-service
22 permit, ~~\$40~~ \$50. This fee includes administrative costs, supplies
23 to registered agents, and 20 minutes of equipment calibration
24 time. Where calibration costs exceed this limit, the regular
25 laboratory calibration rate will be charged.

1 Subp. 2. Other rates. The fees in subpart 1 are based on
2 the average amount of time required for an individual inspection
3 and test. This average includes travel, equipment, and
4 administrative costs. For a nonroutine inspection and test, or
5 when a device is not specified in subpart 1, the inspector shall
6 calculate the total charge based on the following hourly rates:

7 A. ~~\$45~~ \$50 for one inspector and appropriate test
8 equipment designated for light capacity scale and volumetric
9 equipment testing;

10 B. ~~\$60~~ \$65 for one inspector and appropriate test
11 equipment designated for heavy capacity scale testing; and

12 C. \$75 for laboratory calibration time.

Fee Review

Department/Agency: Public Service	Budget Activity: Weights & Measures
Fee Name: Weights & Measures Inspection Fees	
Legal Citation: MS 239.10, 12, 52	Fee Set By: <input type="checkbox"/> Law <input checked="" type="checkbox"/> Agency
Purpose of Fee: To recover costs of inspection of weighing and measuring devices.	
<input type="checkbox"/> Dedicated <input checked="" type="checkbox"/> Non-Dedicated	Revenue Code: 302

APID: 21300:99-10	Accumulated Difference Thru 1982 (22.8)	Dollars in Thousands (137,522 = 137.5)
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Fiscal Year	Actual F.Y. 83	Actual F.Y. 84	Estimated F.Y. 85	Requested F.Y. 86	Requested F.Y. 87
Actual/Anticipated Receipts	1,179.2	1,100.0	1,343.0	846.7	884.8
Less Actual/Anticipated Costs	1,095.1	1,195.0	1,343.0	846.7	884.8
Current Difference	84.1	(95.0)	-0-	-0-	-0-
Accumulated Difference	61.3	(33.7)	-0-	-0-	-0-
Number Paying Fee	16,200	16,200	16,200	16,200	16,200
Present Fee	SEE ATTACHED SCHEDULE				
Date Fee Last Changed	7/1/81	7/1/81	7/1/81		

Remarks:

Approximately 85% of all costs are recovered by MS 239.52 and MS 296.13 which provide for recovering all operating costs except for the cost of check weighing prepackaged goods, complaint inspections where the device is found to be correct and court appearances in behalf of other governmental agencies.

	FY85	FY86	FY87
Amount Collected by Weights & Measures	1,343.0	846.7	884.8
Amount Collected by Revenue MS 296.13	166.0	761.8	795.1
Total Amount Recovered	1,509.0	1,608.5	1,679.9

Finance Department Recommendation:

Department Authorized Signature: 	Agency Controller Signature:
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Weights & Measures Fee Review Detail

	<u>FY83</u>	<u>FY84</u>
Total Expenditures	1,460.1	1,593.4
Less Exclusions	(365.0)	(398.4)
Billable Costs	1,095.1	1,195.0
Costs Recovered	<u>1,179.2</u>	<u>1,100.0</u>
Net	84.1	(95.0)

	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>
Estimated Expenditures	1,788.9	1,709.0	1,744.3
Plus Salary Supplement		46.3	87.4
Central Service & PSD Indirect Cost	39.8	42.0	44.3
Rent Amortization (Laws of 84, Chapter 654, Art. 3, Sec. 6)		6.0	6.0
Less Relocation Expense (Laws of 84, Chapter 645, Art. 3, Sec. 6)	(50.0)		
Amortization of Rent (Laws of 84, Chapter 645, Art. 3, Sec. 6)	(24.0)		
Subtotal	1,754.7	1,803.3	1,882.0
Exclusions MS 239.52*	(245.7)	194.8	202.1
Billable Costs	<u>1,509.0</u>	<u>1,608.5</u>	<u>1,679.9</u>
Amount Collected by Weights & Measures	1,343.0	846.7	884.8
Amount Collected by Revenue MS 296.13**	166.0	761.8	795.1
Total Amount Recovered	<u>1,509.0</u>	<u>1,608.5</u>	<u>1,679.9</u>

* MS 239.52 provides for the recovery of all operating costs other than the cost of check weighing prepackaged goods, complaint inspections where device is found to be correct, and court appearances in behalf of other governmental agencies.

** In FY86 a change in the law transferred petroleum device testing costs from the Weights and Measures fee system to the Revenue Department petroleum inspection fee system.