

Proposed License Renewal Dates and Pro-rating of License Fees

Statement of Need and Reasonableness

MINNESOTA RULE 3800.1000

The Board is changing the renewal date of all Master type licenses to expire on March 1 of each odd-numbered year. Master licenses would be renewed for one year on March 1, 1988 and then on March 1, 1989 renewed for two years to expire March 1, 1991 and thereafter renewed each odd-numbered year. New licenses would be pro-rated on a quarterly basis.

Currently all Master licenses expire on the same date as the Electrical Contractor's Licenses, which creates a very heavy workload, requiring overtime and possibly the hiring of part-time help.

In addition, the majority of the license fees are collected in the even-numbered year and it is impossible to budget our administrative costs on a fiscal year basis and a cash flow problem could occur in the coming years.

New licenses are presently pro-rated on a monthly basis. As a new license is effective the date license fee is paid, the rate could change if the fee is not paid the same month the person is notified of passing the examination.

This rule would even out the amount of fees received on a fiscal year basis and solve our cash flow concerns, reduce workload in even-numbered years, and resolve most of the problems that occur in the pro-rating of fees.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

Most of the businesses regulated by the Board of Electricity are small businesses and the Board has framed all of these regulations considering the needs of small business because the Board estimates 80% of all licensed contractors are small business as defined in M.S. 14.115.

The adoption of a staggered system for renewing contractor licenses and individual licenses such as Master licenses will save small business money because they will enable the Board to use fewer personnel to process the licenses and thereby, lower the administrative costs which would be passed on to the small business in the form of license fees. It will also help the cash flow of small business by evening out the payments which they must make for license fees to the Board.

a) The compliance and reporting requirements under Minnesota Rule 3800.1000 subpart 1 through subpart 7 were framed for the needs of small business in mind.

b) The compliance with reporting requirements contained in amendments to this rule were drafted with the needs of small business in mind. They will have a minimal impact on small business. The Board will notify all contractors concerning renewal dates for licenses and fees and procedures to be followed in renewing the licenses so that small businesses will not have to monitor the law or research the requirements.

c) The amendments to these regulations by splitting the reporting requirements to a staggered system will have a minimal impact on the administrative burden carried by small business and, for the reason stated above, will help small business by minimizing the needs for possible license increases and evening out the cash flow of the small business.

d) This requirement is inapplicable to these requirements.

e) It is not possible to exempt small business from this rule since it would be inequitable to require only large business to pay license fees and carry licenses.