

STATE OF MINNESOTA

BEFORE THE MINNESOTA

COUNTY OF RAMSEY

BOARD OF VETERINARY MEDICINE

In the Matter of the Proposed Adoption of a Rule Amendment of the Board of Veterinary Medicine Relating to Annual Fees for Licensure Renewal, Minn. Rules pt. 9100.0500, subp. 2 (1989)

STATEMENT OF NEED AND REASONABLENESS

Minn. Stat. 156.01, subd. 3 (1988) authorizes the Minnesota Board of Veterinary Medicine (hereinafter "Board") to make, alter or amend such rules as may be necessary to carry into effect the provisions of chapter 156.

Minn. Stat. 214.06 provides in part that "health related licensing boards . . . shall by rule, with the approval of the commissioner of finance, adjust any fee which . . . the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128."

The proposed rule amendment would increase the annual licensure renewal fee from \$30 to \$40.

The Board has determined that this increase is necessary to offset the Board's increased expenses relative to operation.

The proposed rule amendment falls within two exemptions found in the small business statute: first, the exemption for agency rules that do not affect small businesses directly; and second, the exemption for service businesses regulated by government bodies for standards and costs. See Minn. Stat. 14.115, subd. 7(b) and (c), respectively.

The Board has reviewed the five suggested methods listed in section 14.115, subdivision 2, for reducing the impact of the rules on small

businesses. The five suggested methods enumerated in subdivision 2 are as follows:

(a) the establishment of less stringent compliance or reporting requirements for small businesses;

(b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;

(c) the consolidation or simplification of compliance or reporting requirements for small businesses;

(d) the establishment of performance standards for small businesses to replace design or operational standards required in the rule; and

(e) the exemption of small businesses for any or all requirements of the rule.

As part of its review, the Board considered the feasibility of implementing each of the five suggested methods, and considered whether implementing any of the five methods would be consistent with the statutory objectives that are the basis for this rulemaking.

1. It should not be feasible to incorporate any of the five suggested methods into these proposed rule amendments.

Methods (a)-(c) of subdivision 2 relate to lessening compliance or reporting requirements for small businesses either by (a) establishing less stringent requirements, (b) establishing less stringent schedules or deadlines for compliance with the requirements, or (c) consolidating or simplifying the requirements. Since the Board is not proposing any compliance or reporting requirements for either small or large businesses, it follows that there are no such requirements for the Board to lessen with respect to small businesses. If, however, the proposed amendment is viewed as compliance or reporting requirements for businesses, then the Board finds that it would be unworkable to lessen the requirements for those veterinarians who practice in a solo or clinic setting of fewer than 50

employees, since that would include the vast majority of veterinarians. Method (d) suggests replacing design or operational standards with performance standards for small businesses. The Board's amendment does not propose design or operational standards for businesses, and therefore there is no reason to implement performance standards for small businesses as a replacement for design or operational standards that do not exist. Finally, method (e) suggests exempting small businesses from any or all requirements of the rules. Under the Board's view that the proposed rule amendment does not in any way regulate the business operation of veterinarians, there are no rule requirements from which to exempt small businesses. However, if the proposed amendment is viewed as regulating businesses insofar as it regulates veterinarians, then it would hardly make sense for the Board to exempt from its rules those veterinarians who practice in a solo or clinic setting with fewer than 50 employees, since they constitute the vast majority of veterinarians. For all of these reasons, it is not feasible for the Board to incorporate into its proposed amendment any of the five methods specified in subdivision 2 of the small business statute.

2. Reducing the impact of the proposed amendment on small businesses would undermine the objectives of the Minnesota licensing law for veterinarians.


Pursuant to the Minnesota licensing law for veterinarians, Minn. Stat. 156.00 to 156.14, the Board was created for the purpose of establishing requirements for licensure and adopting a code of ethics governing appropriate practices or behavior for veterinarians. Pursuant to Minn. Stat. 156.01, subd. 1, the Board is specifically mandated to "adjust any fee which the Commissioner of Health or the Board is empowered to assess a sufficient amount so that total fees collected by each Board will as

close as possible equal anticipated expenditures during the fiscal biennium . . ." Given these statutory mandates, it is the Board's duty to establish licensure qualifications and ethical standards which apply to and govern all applicants and licensees, regardless of the nature of their practice. As it has been stated above, it is the Board's position that the proposed amendment will not affect small businesses, and certainly does not have the potential for imposing a greater impact on veterinarians in a solo or small practice than on veterinarians practicing in a large business setting. It has also been explained above that the Board considers it infeasible to implement any of the five suggested methods enumerated in subdivision 2 of the small business statute. Nonetheless, to the extent that the proposed rule amendment may affect the business operation of a veterinarian or group of veterinarians, and to the extent it may be feasible to implement any of the suggested methods for lessening the impact on small businesses, the Board believes it would be unwise and contrary to the purposes served by this rule for the Board to exempt one group of veterinarians - indeed, the majority of veterinarians - from the requirement of this rule.

The Board has determined that the increased licensure fee in the proposed rule amendment will not affect small businesses for the purposes of Minn. Stat. 14.115.

The Commissioner of Finance has approved the proposed rule amendment to increase licensure fees from \$30 to \$40.

Dated: July 7, 1989.


ROLAND C. OLSON, DVM
Executive Director

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