

STATE OF MINNESOTA
DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed Rule of
the Department of Agriculture Setting
Fees for Farm Advocate Services

Statement of Need
and Reasonableness

Introduction

Farm Advocate services fees established under Laws 1992, Chapter 513, article 2, section 12 and section 6, subdivision 4, are expected to increase non-dedicated general fund revenues by \$100,000 in fiscal year 1993. M.S., section 16A.128 requires that certain fees be established by rule. The Department of Finance has determined that this fee must be set by rule.

Small Business Impact

The farmers affected by these fees are small businesses as defined by Minnesota Statutes, section 14.115. These farmers must now pay a fee for services that were previously offered for free. However, a fee waiver is provided for extreme financial hardship. The methods for lessening impact under items (a) through (d) of section 14.115, subdivision 2 do not apply because there are no standards or reporting requirements. In regard to item (e) of subdivision 2, farmers meeting certain income and debt requirements are exempt from the requirements of the rule.

Need for and Reasonableness of the Proposed Rule

The rule is necessary because the Finance Department will not allow fees required by Laws 1992, Chapter 513 to be collected unless the fee is set by rule. \$15.00 per hour is reasonable because it will increase non-dedicated general fund revenues by \$100,000 as expected in Laws 1992, Chapter 513, article 2, section 6, subdivision 4.

The gross income and debt to asset ratio set for the waiver is reasonable because it is based on financial guidelines used by Minnesota Legal Services who also assist farmers who cannot pay for legal counsel.