

Dear Senators CORDER, Smyser, Bock, and
Representatives ANDRUS, Boyle, Pence:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the
Board of Veterinary Medicine:

IDAPA 46.01.01 - Rules of the State of Idaho Board of Veterinary Medicine (Docket No.
46-0101-1102).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 10/21/2011. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 11/21/2011.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4845, or send a written request to the address or FAX
number indicated on the memorandum enclosed.



Jeff Youtz
Director

Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Agricultural Affairs Committee and the House Agricultural Affairs Committee

FROM: Principal Legislative Research Analyst - Katharine Gerrity

DATE: October 3, 2011

SUBJECT: Board of Veterinary Medicine

IDAPA 46.01.01 - Rules of the State of Idaho Board of Veterinary Medicine (Docket No. 46-0101-1102)

The Board of Veterinary Medicine submits notice of proposed rule at IDAPA 46.01.01 - Rules of the State of Idaho Board of Veterinary Medicine. This is a fee rule. According to the Board, budget projections show that the Board's free fund balance will drop to an unacceptably low level in the next two years. The Board states that expenses have exceeded its revenue in four out of the last eight years and that the Board will be replacing its outdated licensing software which will be a substantial expense. The Board also notes that fees have not been increased since 1999. The Board indicates that there will be no impact on the general fund, that the Board is funded through dedicated funds paid by licensees and certificate holders and that implementation will have a minimal economic effect on the Board or staff.

Negotiated rulemaking was not conducted. The Board states, however, that the fee increases have been announced in numerous articles published in both the trade association newsletter and the Board's newsletter, and written comments received by the Board from affected licensees have been considered in the drafting of the rulemaking. The rule appears to be authorized pursuant to Sections 54-2105 and 54-2107, Idaho Code.

cc: Board of Veterinary Medicine
Karen Ewing

PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

Department or Agency: Idaho Board of Veterinary Medicine

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Agency Contact: Karen Ewing **Phone:** (208) 332-8588

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Date: September 21, 2011

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IDAPA, Chapter and Title Number and Chapter Name: IDAPA 46.01.01 - Rules of the State of Idaho Board of Veterinary Medicine

Fee Rule Status: Proposed Temporary

Rulemaking Docket Number: 46-0101-1102

STATEMENT OF ECONOMIC IMPACT:

This rulemaking has no impact on the State General Fund. The Board of Veterinary Medicine (Board) is funded through dedicated funds paid by licensees and certificate holders, who will carry the full burden of this fee increase. Implementation will have a minimal economic effect on the Board or staff.

Section 54-2105, Idaho Code, authorizes the setting of fees for licensing and certifying veterinarians, veterinary technicians, euthanasia agencies, and euthanasia technicians. Twenty percent (20%) of the fee increase will replenish and raise the Board's shrinking Free Fund Balance to acceptable levels, sixty-five percent (65%) will provide for increasing operating expenses, and fifteen percent (15%) will provide for the purchase of online administrative/licensing software. The last fee increase was implemented in 1999. Revenue and expense projections for this proposed increase show a rising Free Fund Balance for eight years, then once again declining after that.

The amendment of Administrative Rule 014 will increase licensing and certification fees paid by veterinarians, certified veterinary technicians, certified euthanasia agencies, and certified euthanasia technicians. The main impact will be felt by veterinarians holding active licenses, as the proposed rule change increases the annual renewal fee from \$125 to \$200. Actively-licensed veterinarians represent the majority of the Board's licensees and certificate holders (981 of 1,416), and the number of Idaho-licensed veterinarians is growing slowly. Certified veterinary technicians will have an annual renewal fee increase from \$50 up to \$75. The Board proposes doubling the annual renewal fee for certified euthanasia agencies from \$100 to \$200, and doubling the annual renewal fee for certified euthanasia technicians from \$50 to \$100. The certified euthanasia program is heavily subsidized by veterinarians' licensing fees, and this proposed increase will place more of the financial burden on the cities, counties, and non-profit animal shelters that participate in the program. Detailed 10-year financial extrapolations are available to show the specifics of anticipated revenues and expenses through FY2022.

IDAPA 46 - BOARD OF VETERINARY MEDICINE

46.01.01 - RULES OF THE STATE OF IDAHO BOARD OF VETERINARY MEDICINE

DOCKET NO. 46-0101-1102 (FEE RULE)

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 54-2105 and 54-2107, Idaho Code.

PUBLIC HEARING SCHEDULE: A public hearing concerning this rulemaking will be held as follows:

**Monday, October 24, 2011
12:00 p.m. (noon) MDT**

**Idaho State Department of Agriculture Building
2270 Old Penitentiary Road
Boise, ID 83712
Conference Rooms A and B**

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Budget projections show that the Board's Free Fund Balance will drop to an unacceptably low level in the next two (2) years. The Board's expenses have exceeded its revenue in four (4) of the past eight (8) years. In addition, the Board of Veterinary Medicine's licensing software must be replaced because it is obsolete, experiencing frequent malfunctions, and no longer meets the needs of the Board and its licensees and certificates; licensing software replacement is a substantial expense. The Board must be fiscally self-sufficient and set fees commensurate with its program costs.

The proposed rulemaking will amend Section 014 to increase most, but not all, of the initial application, renewal, and reinstatement licensing and certification fees for veterinarians, veterinary technicians, euthanasia agencies, and euthanasia technicians. Fees have not been increased since 1999.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

1. Veterinarian Application and Original License Fee increased from \$200 to \$275.
2. Veterinarian Active License Annual Renewal Fee increased from \$125 to \$200.
3. Veterinarian Application and Original License Fee (License Without Clinical Competency Test Fee) increased from \$200 to \$275.
4. Veterinarian Active License Annual Renewal Fee (License Without Clinical Competency Test Fee) increased from \$125 to \$200.
5. Veterinarian License Reinstatement/Late Fee increased from \$50 to \$200.
6. Veterinarian Reactivation Fee (restore inactive license to active status) – New fee of \$150.
7. Veterinarian Temporary Permit Fee increased from \$100 to \$150.
8. Veterinarian License Verifications increased from \$10 to \$20.
9. Veterinary Technician Certification Application and Original Certification Fee increased from \$100 to \$125.
10. Veterinary Technician Certification Annual Renewal Fee increased from \$50 to \$75.
11. Veterinary Technician Certification Reinstatement/Late Fee increased from \$25 to \$50.
12. Certified Euthanasia Agency Certification Annual Renewal Fee increased from \$100 to \$200.
13. Certified Euthanasia Agency Certification Reinstatement/Late Fee increased from \$25 to \$50.
14. Certified Euthanasia Technician Certification Annual Renewal Fee increased from \$50 to \$100.
15. Certified Euthanasia Technician Certification Reinstatement/Late Fee increased from \$25 to \$50.

Fees are established as authorized by Sections 54-2105 and 54-2107, Idaho Code.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year as a result of this rulemaking: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because of the need to establish and/or increase fees to rebuild the Board's reserve fund, cover expenses that have increased considerably since the last increase in 1999, and cover the costs of replacing the Board of Veterinary Medicine's licensing software. This will ensure that the Board remains fiscally self-sufficient and sets fees commensurate with its program costs. In essence, the proposed rulemaking has gone through a negotiated process since the fee increases have been on the Board's Agenda and discussed during at least two (2) regular Board meetings open to the public, the fee increases have been announced in numerous articles published in both the trade association newsletter and the Board's newsletter, and written comments received by the Board from affected licensees have been considered in the drafting of the rulemaking. Additionally, further public comment will be accepted at the Board's regularly scheduled meeting as noticed herein.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Karen Ewing, Executive Director, at (208) 332-8588.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 26, 2011.

DATED this 18th day of August, 2011.

Karen Ewing, Executive Director
Board of Veterinary Medicine
2270 Old Penitentiary Rd.
P. O. Box 7249
Boise, ID 83707
Phone: (208) 332-8588
Fax: (208) 334-2170

THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET 46-0101-1102

014. FEES.

Fees are established as authorized under Title 54, Chapter 21, Idaho Code, by action of the Board as follows:

- (7-1-97)
- 01. Veterinarian:** (3-18-99)
 - a.** Application and Original License Fee (Section 54-2107, Idaho Code) - Two hundred ~~seventy-five~~ seventy-five dollars (\$~~200~~175). ~~(3-30-01)~~()
 - b.** Annual Renewal Fee (Section 54-2112, Idaho Code). (3-18-99)

- i. Active License -- ~~One~~ **Two** hundred ~~twenty-five~~ dollars (~~\$125~~**200**); (3-18-99)()
- ii. Inactive License -- Fifty dollars (\$50). (3-18-99)
- c. License Without Clinical Competency Test Fee (Section 54-2110, Idaho Code): (3-30-01)
- i. Application and Original License Fee -- Two hundred ~~seventy-five~~ dollars (~~\$200~~**75**); (3-30-01)()
- ii. Annual Renewal Fee: (3-30-01)
- (1) Active License -- ~~One~~ **Two** hundred ~~twenty-five~~ dollars (~~\$125~~**200**); (3-30-01)()
- (2) Inactive License -- Fifty dollars (\$50). (3-30-01)
- d. Reinstatement/Late Fee (Section 54-2112, Idaho Code) -- ~~Fifty~~ **Two hundred** dollars (~~\$50~~**200**). (3-30-01)()
- e.** Reactivation Fee (restore inactive license to active status) – One hundred fifty dollars (\$150); ()
- ef.** Temporary Permit Fee (Section 54-2111, Idaho Code) -- One hundred ~~fifty~~ dollars (~~\$100~~**50**). (3-18-99)()
- fg.** License Verifications (Sections 54-2105(6) and 54-2112, Idaho Code) -- ~~Ten~~ **Twenty** dollars (~~\$10~~**20**). (3-30-01)()
- g.** National Qualification/Eligibility Review Fee (Section 54-2105(8)(d) and (f), Idaho Code) – Fifty dollars (\$50). (3-30-01)
- 042.** **Veterinary Technician Certification Fee.** (Section 54-2105(6)(d), Idaho Code). (3-30-01)
 - a. Application and Original Certification Fee -- One hundred ~~twenty-five~~ dollars (~~\$100~~**25**). (3-30-01)()
 - b. Annual Renewal Fee -- ~~Fifty~~ **Seventy-five** dollars (~~\$50~~**75**). (3-18-99)()
 - c. Reinstatement/Late Fee -- ~~Twenty-five~~ **Fifty** dollars (~~\$25~~**50**). (3-18-99)()
 - d. Temporary Permit Fee -- Fifty dollars (\$50). (3-18-99)
- 023.** **Certified Euthanasia Agency Certification Fee.** (Section 54-2105(6)(d), Idaho Code). (3-30-01)
 - a. Application and Original Certification Fee -- One hundred dollars (\$100). (3-30-01)
 - b. Annual Renewal Fee -- ~~One~~ **Two** hundred dollars (~~\$1~~**200**). (7-1-97)()
 - c. Reinstatement/Late Fee -- ~~Twenty-five~~ **Fifty** dollars (~~\$25~~**50**). (3-30-01)()
- 034.** **Certified Euthanasia Technician Certification Fee.** (Section 54-2105(6)(d), Idaho Code). (3-30-01)
 - a. Training and Certification Fee -- One hundred dollars (\$100). (3-30-01)
 - b. Annual Renewal Fee -- ~~Fifty~~ **One hundred** dollars (~~\$50~~**100**). (3-18-99)()
 - c. Reinstatement/Late Fee -- ~~Twenty-five~~ **Fifty** dollars (~~\$25~~**50**). (3-30-01)()

05. Duplicate License and Certificate Fee -- Twenty-Five Dollars (\$25). When a new license, wall certificate or certification is issued for the purpose of changing the license or certificate holder's name, the request for name change must be accompanied by a copy of the court order or marriage license authorizing the name change and the current license, certification or original wall certificate shall be returned to the Board office. (3-30-01)

~~**06. Adjustment of Renewal Fees.** *The Board may adjust renewal fees downward to a minimum of fifty dollars (\$50) for "active" license renewals and a minimum of twenty five (\$25) for "inactive" license renewals if, by majority vote of the Board members, the Board's free fund balance is sufficiently high.* (3-18-99)~~