

# DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

## FEE STUDY FOR PROFESSIONAL LICENSES

### Frequently Asked Questions

2013-2015

(03/07/13)

#### Background

As required by Statute, the Department of Safety and Professional Services conducts a fee study each biennium to determine the administrative and enforcement costs attributable to each profession. Based on this mandate, the Department set new fees for the 2013-2015 biennium and forwarded them to the Joint Committee on Finance for a 14-day passive review and approval. The request was approved on February 25, 2013.

If someone asks a question that goes beyond this list of basic FAQ's, you should refer that person to Greg Gasper, Executive Assistant, Office of the Secretary.

#### Frequently Asked Questions

Question 1: What are the new fees?

Answer 1: The new fees vary by profession. Most initial license fees are \$75.

The minimum renewal fee is \$82 for most two-year licenses and the maximum renewal fee is \$170.

Question 2: For renewal fees, why was the range set at \$82 to \$170? Why was \$82 seen as an appropriate minimum and \$170 as an appropriate maximum?

Answer 2: This range represents historic low and high figures. Use of this range "smoothes" any short-term aberrations in the costs.

Question 3: When were the license fees last adjusted?

Answer 3: The majority of the fees were last adjusted in the 2009-2011 biennium. The fees that were approved for the 2013-2015 biennium are mostly the same as those fees approved in the 2009-2011 and 2011-2013 biennia. There were very few minor adjustments to fees that were approved for 2013-2015.

Question 4: What is the basis for the new fees?

Answer 4: The Department follows a fee study process as set by statute. The statute mandates that the fees be based on administrative and enforcement costs that reflect the costs of providing services to each licensed profession. The new rates for the 2013-2015 biennium are based on actual costs as determined by a time distribution analysis and

review of Department costs for regulation and licensing activities from the Fiscal Years 2011 and 2012.

Question 5: What are some examples of Department costs for regulation and licensing activities?

Answer 5: Department costs include salary and fringe of administrative staff (those employees who work for the Office of the Secretary and the Division of Management Services, for example) and supplies and services. Supplies and services include items such as rent, insurance, postage, minor equipment, data processing services, cellular service, telephone (local and long-distance) expenses, as well as department-wide subscriptions, dues and memberships, advertising, and maintenance and repair expenses that could not be charged to a particular profession. Administrative costs were apportioned to new license and renewal fees. The costs were distributed equally to each license holder. These are added to the cost of the license in addition to the actual costs incurred by each profession.

Question 6: I notice that some initial license fees are lower than \$75 and some renewal fees are lower than \$82. Why is this?

Answer 6: There are fees for certain professions that are exceptions to the standard fee established for new licenses. Most of these exceptions are set by statute. There are also some fees for certain professions that are exceptions to the minimum and maximum rates set for renewals. Some of the fees, such as those paid by charitable organizations, have historically been kept lower because of their non-profit nature. Some other fees are not for licenses but rather for registration only. These are paid annually or per event. These fees are not subject to the \$75 and \$82 minimums.

Question 7: When will the new fees go into effect?

Answer 7: The new fees will take effect beginning with initial license applications received in the Department on or after July 1, 2013. The new fees will take effect for license renewals which have an effective date of July 1, 2013 or later. It should be noted that if a license holder receives a notice of renewal prior to July 1, 2013, however, the renewal effective date is after July 1, 2013, the new rates will apply regardless of when the notice is received or when payment is made. If the license effective date is on or after July 1, 2013, the new fees will apply.

Question 8: Were the fees for the trades professions adjusted at this time?

Answer 8: No. License and permit fees for the trades professions were not adjusted at this time. A separate fee study will be conducted for the trade professions in the future.

Question 9: Are tax dollars used to pay for the cost of regulating professions?

Answer 9: No. License fees pay for the costs to regulate and license the professions covered by the Department. There are no General Purpose Revenues (GPR) dollars, such as income or sales taxes, included in the DSPS budget.

Question 10: Where can I direct my questions or concerns regarding the fees?

Answer 10: If you have a question about any of the fees or how the fees were derived, you may direct your inquiries and concerns to the Office of the Secretary.