

**Economic Impact Statement**

LSA Document #08-678

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

In 2008, Senate Enrolled Act 316-2008 (P.L.59-2008) established the veterinary investigative fund to provide funds for administering and enforcing the provisions of [IC 25-38.1](#) including investigating and taking enforcement action against violators. Through the proposed rule, the Board establishes a fee of \$10 per application and \$20 per renewal for a veterinarian license and permits and veterinary technician registrations (RVT) and permits.

**Impact on Small Businesses****1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule:**

NAICS CODE 541940

Veterinary Services

[IC 4-22-2.1-4](#) provides that "small business" means any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

The types of small businesses affected by this proposed rule are veterinary practices, veterinary hospitals, veterinarians, and veterinary technicians.

The statute requires the board to establish a fee to be attached to individual licenses and registrations, which will be collected from new applicants and every two (2) years upon renewal of the board issued licenses and registrations. The fee increase for veterinarians and registered veterinarian techs (RVT) will be as follows:

	Current Application Fee	Current Examination Fee	Current Renewal Fee
Veterinarians	\$150	\$150	\$100
RVT	\$30	\$45	\$15
	Application Fee Increase	Exam Fee Increase	Renewal Fee Increase
Veterinarians	\$10	\$10	\$20
RVT	\$10	\$10	\$20

The veterinary investigative fund fee is not directly assessed to veterinary practices, veterinary hospitals, and veterinary emergency care facilities, although these facilities may be indirectly affected by licensee compliance in that the facilities' professionals will incur an increased cost to practice in Indiana.

**2. Estimate of average annual reporting, record keeping, and other administrative costs that small business will incur to comply with the proposed rule:**

The Board estimates that there will be no annual reporting, administrative costs, or record keeping requirements incurred by small businesses to comply with this rule. Veterinary professionals individually address their license application and renewal to ensure proper licensure in Indiana. The businesses that employ their services are not involved in the administration of these licenses, other than verifying their status; therefore, no administrative costs or record keeping is involved in the increased fee requirement for small business.

**3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule:**

There will be an insignificant impact on small businesses as a result of compliance with this rule.

This proposed rule will impose an additional ten dollar (\$10) fee on veterinarians and registered veterinary technicians who are approved by the Board and issued by IPLA. The additional fee will be dedicated solely to the investigative fund.

IPLA issues an average of 231 veterinary licenses and 138 veterinary technician registrations based on the number of licenses and registrations issued in 2007 and 2008. There are approximately 2,200 licensed veterinarians and 746 registered veterinary technicians.

The following is the estimated fiscal impact on licensees and registrants for issuance or renewal of a license or registration:

Issuance of a Veterinary License and Registered Veterinary Technician

231 Veterinarians x \$10 investigative fund fee = \$2,310

138 Registered Veterinary Technicians x \$10 Investigative Fund Fee = \$1,380

(The number of veterinarians and registered veterinary technicians used in this calculation represents the licenses and registrations issued in 2007 and 2008.)

Renewal of a Veterinary License and Registered Veterinary Technician

2200 Veterinarians x \$20 investigative fund fee = \$44,000

746 Registered Veterinary Technicians x \$20 Investigative Fund Fee = \$14,920

(The number of veterinarians and registered veterinary technicians used in this calculation represents the number of current veterinary licenses and veterinary technician registrations.)

Total Estimated Biannual Expense: \$62,620

Proposed yearly revenue from renewal is based upon \$20 being collected every two years. The next renewal cycle is scheduled for 2011 for veterinarians and 2012 for veterinary technicians. Therefore, the only revenue that will be collected and deposited into the fund before 2011 will come from the \$10 fee assessed for the issuance of a new license and registration.

Revenue generated by an investigation fee will be deposited into the veterinarian investigative fund. Money in the fund that exceeds a balance of \$750,000 at the end of a state fiscal year would revert to the state general fund.

**4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; or any other state or federal law:**

The cost on small businesses is minimal. It amounts to \$20 biannually per licensee and registrant should the small business elect to pay the fee on behalf of its employees. The investigation fund, which was established by Senate Enrolled act 316 (P.L.58-2008), is designed to further enforce the veterinary statute and rules. In addition, the rule will enhance the protection of consumer from unscrupulous practitioners.

**5. Regulatory flexibility analysis: Consideration of alternative methods of achieving the purpose of the proposed rule:**

Since the rule provides for fees only, the consideration of alternative compliance or reporting requirements or other operational standards was not appropriate. There is no new reporting or record keeping requirements for small businesses as a result of the proposed rule.

**6. Conclusion:**

The Office of the Attorney General investigates consumer complaints, and their time and efforts are divided among a great many professions. Having a dedicated investigative fund solely to investigate the violation of the veterinary statute and administrative rules will greatly enhance resources in pursuing complaints brought against any veterinarian or registered veterinary technician, thus increasing the protection of Indiana consumers. By passing legislation for the veterinary investigative fund in 2008, the Indiana General Assembly recognized a need to provide funds for administering and enforcing the provisions of [IC 25-38.1](#), including the investigating and taking enforcement action against violators. The veterinary investigative fund is a dedicated fund. The Board is charged with the duty of protecting the public against violators of the statute and rules of the Board. While the fees will generate money for the veterinary investigative fund for the Board to investigate violators, the impact on small businesses will not be substantial.

**7. Supporting Data, Studies, or Analyses:**

The Indiana Professional Licensing Agency and the Board relied on data from the IPLA database to determine the number of veterinary licenses and veterinary technicians issued and renewed. The Indiana Professional Licensing Agency and the Board did not rely on any other data, studies, or analyses in determining the imposition of requirements and costs.

*Posted: 09/30/2009 by Legislative Services Agency*

An [html](#) version of this document.