

1 BOARDS AND COMMISIONS

2 Kentucky Board of Veterinary Examiners

3 (New Administrative Regulation)

4 201 KAR 16:515. Fees for veterinary facility registrations.

5 RELATES TO: KRS 321.203, 321.235, 321.320

6 STATUTORY AUTHORITY: KRS 321.203, 321.205, 321.235(1)(c), 321.236, 321.320

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 321.235(1)(c) requires the Kentucky

8 Board of Veterinary Examiners to promulgate administrative regulations to establish the fee

9 amounts for all fees required by KRS Chapter 321 and the fees for services provided by the board. KRS

10 321.236(1)(a) and (4) allow the board to establish application fees for veterinary facilities and

11 mobile units. This administrative regulation establishes fees for veterinary facility registrants and

12 their associated mobile units, including the cost for application, renewal, and reinstatement.

13 Section 1. Payment and Submission of Fees.

14 (1) Fees to the board shall be paid by check or money order, or, if available, online

15 payment by debit or credit card. Checks and money orders shall be made payable to the

16 Kentucky State Treasurer.

17 (2) All fees shall be nonrefundable.

18 (3) In the event the board carry forward balance at the end of a fiscal year falls below

19 \$200,000, the board's fees shall automatically increase 20% for the duration of the fiscal

20 biennium.

21 Section 2. Application Fees for Veterinary Facility Registration.

1 (1) (a) In accordance with KRS 321.236(2), the initial registration fee for a veterinary
2 facility that is registered with the board by June 30, 2025, shall be \$200 and reduced by half to
3 \$100 for facilities registered by the mandated deadline.

4 (b) After June 30, 2025, the initial application fee for a veterinary facility with up to two
5 (2) mobile units shall:

- 6 1. Until June 30, 2026, be \$500;
- 7 2. Between July 1, 2026, and June 30, 2028, be \$550; and
- 8 3. After June 30, 2028, be \$625.

9 (2) In addition to the initial application fee for a registered veterinary facility, an
10 additional fee shall be paid to the board, calculated based on the number of mobile units
11 associated with the facility, as follows:

12 (a) For a registered veterinary facility with two (2) or fewer mobile units identified on the
13 application, no additional fees shall be collected;

14 (b) For a registered veterinary facility with three (3) or more mobile units identified on
15 the application, an additional fee per mobile unit shall be due to the board with the initial
16 application for each additional mobile unit beyond two (2) mobile units per veterinary facility:

- 17 1. Until June 30, 2025, \$25 per unit;
- 18 2. Between July 1, 2025, and June 30, 2027, \$50 per unit;
- 19 3. Between July 1, 2027, and June 30, 2029, \$75 per unit; and
- 20 4. After June 30, 2029, be \$100 per unit.

21 (3) The fees shall be attached to the completed Application for Registration as a
22 Veterinary Facility form as found in 201 KAR 16:762 or online equivalent form, including all
23 required attachments.

1 Section 3. Renewal Fees for Veterinary Facility Registration. The following fees shall be paid
2 biennially for the renewal of a veterinary facility registration:

3 (1) (a) Except as provided for in subsection (3) of this section, the base renewal fee for a
4 veterinary facility registration in active status shall:

5 1. Until September 30, 2027, be \$450;

6 2. Between October 1, 2027, and September 30, 2029, be \$550; and

7 3. After September 30, 2029, be \$650.

8 (b) The fees shall be attached to the Renewal Application for Veterinary Facility
9 Registrations form as found in 201 KAR 16:765 or online equivalent form.

10 1. To qualify for renewal, the form shall be complete, including all required attachments,
11 continuing education credits if required, and fee payment; and

12 2. The complete package is submitted to the board for review and approval not later than
13 September 30 of each odd-numbered year.

14 (2) In addition to the renewal base fee for a registered veterinary facility, an additional
15 fee shall be paid to the board, calculated based on the number of mobile units associated with the
16 facility, as follows:

17 (a) For a registered veterinary facility with two (2) or fewer mobile units identified on the
18 registration, no additional fees shall be collected;

19 (b) For a registered veterinary facility with three (3) or more mobile units identified on
20 the registration, an additional fee per mobile unit shall be due to the board with the biennial
21 renewal application for each additional mobile unit beyond two (2) mobile units per veterinary
22 facility registration:

23 1. Until September 30, 2027, \$50 per unit;

1 2. Between October 1, 2027, and September 30, 2029, \$75 per unit; and

2 3. After September 30, 2029, be \$100 per unit.

3 (3) For a veterinary facility initially registered less than 120 days prior to the end of the
4 renewal period, the registration renewal fees shall be waived during the first registration cycle.

5 (4) There shall be no renewal grace period provided for veterinary facility registrations.
6 Veterinary facilities that fail to renew their registration by September 30 of each odd-numbered
7 year shall expire. If a veterinary facility intends to continue operations following a missed
8 renewal, the registered responsible party or veterinary manager shall apply for reinstatement for
9 the veterinary facility and obtain board approval before continuing operations at the registered
10 facility.

11 Section 4. Reinstatement Fees for Veterinary Facility Registration.

12 (1) To reinstate a veterinary facility registration following expiration, the registered
13 responsible party or veterinary manager shall submit a complete Reinstatement Application for
14 Veterinary Facilities form as found in 201 KAR 16:765 or online equivalent form, including all
15 required attachments and fees, to the board for reinstatement of the veterinary facility
16 registration.

17 (a) If less than six (6) months has elapsed since the expiration date of the facility
18 registration, the veterinary facility shall pay a reinstatement fee of \$675.

19 (b) If more than six (6) months and not more than five (5) years have elapsed since the
20 expiration date of the facility registration, the veterinary facility reinstatement fee shall:

21 1. Until June 30, 2027, be \$725;

22 2. Between July 1, 2027, and June 30, 2029, be \$900; and

23 3. After June 30, 2029, 2028, be \$1,050.

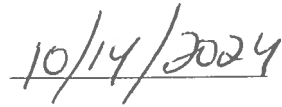
1 (2) A veterinary facility shall not apply for a new registration during this five (5) year
2 window; a reinstatement application shall be required.

3 (3) If more than five (5) years have elapsed since the last date of registration expiration, a
4 veterinary facility shall apply as a new applicant to obtain a new veterinary facility registration in
5 the Commonwealth of Kentucky.

APPROVED: 4/25/2024, with changes on 8/29/2024

A handwritten signature in black ink, appearing to read "Michelle M. Shane", written over a horizontal line.

p.p Michelle M. Shane, Executive Director
on behalf of John C. Park, DVM, Board Chair
Kentucky Board of Veterinary Examiners

A handwritten date "10/14/2024" written in black ink over a horizontal line.

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on December 23, 2024, at 10:00 am EST, at the offices of the Kentucky Board of Veterinary Examiners, 4047 Iron Works Pkwy, Suite 104, Lexington, KY 40511. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through December 31, 2024. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Michelle M. Shane, Executive Director, Kentucky Board of Veterinary Examiners, 4047 Iron Works Parkway, Suite 104, Lexington, KY 40511, Phone: 502-564-5433, Fax: 502-753-1458, Email: Michelle.Shane@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

201 KAR 016:515

Contact Person: Michelle M. Shane

Phone: 502-564-9905

Email: Michelle.Shane@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This new administrative regulation establishes the fees for persons and businesses seeking a veterinary facility registration from the board to gain the ability to operate a veterinary facility in Kentucky.

(b) The necessity of this administrative regulation:

This new administrative regulation is necessary to establish the fees that the Kentucky Board of Veterinary Examiners (KBVE) approves for veterinary facility registration, as mandated in KRS 321.203, 321.205, 321.235(1)(c), 321.236, and 321.320.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 321.235 mandates that the board administer and enforce KRS Chapter 321. KRS 321.203, 321.235(1)(c), and 321.236 specifically require the board to collect fees for new, renewal, and reinstatement applications on registered facilities.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This new administrative regulation will assist in effective administration by clearly expressing what fees have been approved by the board in order to keep all mandated programs operational and responsive to constituent needs.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

N/A. This is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation:

N/A. This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes:

N/A. This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes:

N/A. This is a new administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

Approximately 500 businesses in Kentucky offering veterinary services are estimated to be affected.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Applicants will be required to have paid the fee prior to registration, renewal, or reinstatement.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

No costs are associated with compliance, as this is a prerequisite for application, renewal, and reinstatement.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Administrative ease of clear communications of the fees associated with registration.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The KBVE expects costs for all board operations to be approximately \$759,700 annually in the near term.

(b) On a continuing basis: The KBVE expects costs for all board operations to be approximately \$900,000 annually in future bienniums as new programming is brought online, per the mandates in the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

KBVE does not receive any general funds. Fees for the board come from license, certificate, permit, and registration fees established in this filing and the other fee filings.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

There is no anticipation of an increase in fees to implement this administrative regulation, as the KBVE is already running an administrative program to process applications and an inspection program to ensure compliance. The new fees for veterinary facility registration establish revenue required for this new program.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

Fees are established directly.

(9) TIERING: Is tiering applied?

Yes, tiering is applied to the fees based on the number of mobile units associated with the veterinary facility. If a veterinary facility has more than two (2) mobile units, there is a small fee for each additional mobile unit to account for additional staff time processing applications and database management.

FISCAL IMPACT STATEMENT

201 KAR 016:515

Contact Person: Michelle M. Shane

Phone: 502-564-9905

Email: Michelle.Shane@ky.gov

- (1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 321.203, 321.205, 321.235(1)(c), 321.236, and 321.320.

- (2) Identify the promulgating agency and any other affected state units, parts, or divisions:

The promulgating agency is the Kentucky Board of Veterinary Examiners. There are no other affected state units, parts, or divisions.

- (a) Estimate the following for the first year:

Expenditures: The KBVE expects costs for all board operations to be approximately \$759,700 annually in the near term. This includes the administration of the veterinary facility registration program, database management, infrastructure, overhead, and contractors, including legal counsel and investigators.

Revenues: This filing will generate approximately \$50,000 the first year.

Cost Savings: There will be no cost savings; this amendment simply codifies the requirements, making them easily accessible for regulated entities.

- (b) How will expenditures, revenues, or cost savings differ in subsequent years?

The General Assembly provided a low initial registration fee of \$100 and empowered the board to set fees based on costs in subsequent years. The board is phasing in fees so businesses have time to prepare. Further, veterinary facility registrations shall renew only every other year. Consequently, the annual amount varies significantly. In F.Y.s ending in even numbers, the regulation will generate approx. \$250,000; in F.Y.s ending in odd numbers, there is anticipated to be virtually no revenue (i.e., only new facilities, projected to be less than \$2,000). Staff time and database management will be required for record keeping. Costs will be minimal.

- (3) Identify affected local entities (for example: cities, counties, fire departments, school districts):

Counties that run animal shelters which offer veterinary services to the public will need to register the animal shelter as a veterinary facility.

- (a) Estimate the following for the first year:

Expenditures: The KBVE expects costs for all board operations to be approximately \$759,700 annually in the near term. This includes the administration of the veterinary facility registration program, database management, infrastructure, overhead, and contractors, including legal counsel and investigators.

Revenues: This filing will generate approximately \$50,000 the first year.

Cost Savings: There will be no cost savings; this amendment simply codifies the requirements, making them easily accessible for regulated entities.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

The General Assembly empowered the board to set fees based on costs in subsequent years. The board is phasing in fees so businesses have time to prepare. Further, veterinary facility registrations shall renew only every other year. Consequently, the annual amount varies significantly. In F.Y.s ending in even numbers, the regulation will generate approx. \$250,000; in F.Y.s ending in odd numbers, there is anticipated to be virtually no revenue (i.e., only new facilities, likely less than \$2,000).

(4) Identify additional regulated entities not listed in questions (2) or (3):

KBVE does not anticipate that any other regulated entities will be impacted.

(a) Estimate the following for the first year:

Expenditures: N/A

Revenues: N/A

Cost Savings: N/A

(b) How will expenditures, revenues, or cost savings differ in subsequent years? N/A

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation:

Running an administrative program mandated by the General Assembly costs money. Fees for veterinary facility registration, renewal, and reinstatement shall be used to pay programmatic costs and are shared across board operations to keep fees as low as possible. Costs include overhead, staffing and benefits, database usage and maintenance, contractors, legal counsel, etc. These fees shall ensure that the board and its staff remain operational, efficient, and responsive to both the public and constituent needs, while also implementing new programs as mandated by the modernized Kentucky Veterinary Medicine Practice Act, KRS Chapter 321. Once established and recurring, these fees are anticipated to generate revenue of approx. \$250,000 every two years, critical revenue for the functionality of all board services.

(b) Methodology and resources used to determine the fiscal impact:

A large spreadsheet was used to calculate all board revenues, expenditures, proposed fees, and estimated quantities of applications based on historical numbers. Projections were calculated ten (10) years out to F.Y. 2036.

(6) Explain:

- (a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate)

This new regulation shall not have a “major economic impact”, as defined in KRS 13A.010(13). The fees are minimal and are used for board operations to run the registration program.

- (b) The methodology and resources used to reach this conclusion:

"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]

In most all cases, fees from this administrative regulation will be less than \$550 per application or renewal. Reinstatement fees will be slightly higher due to the extra staffing costs related to processing.