

Weights and Measures

Rule Update



**Idaho State Department of
Agriculture**

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1. Introduction

1.1 Purpose and Scope

This discussion paper presents the Idaho State Department of Agriculture's (ISDA) justification and recommendations for changing parts of IDAPA 02.02.14 to comply with one of the governor's recommendations and to help with current and future capital asset replacement needs.

1.2 Background

ISDA's FY 2020 budget as recommended by the Governor included a directive for ISDA: "The Governor directs the department to begin the process of raising fees and shifting all of [a new FTP] onto dedicated funds for FY 2021". This rulemaking is submitted pursuant to that instruction. In 2019, ISDA proposed to amend Table 1-A to reflect the Governor's recommendation as well as plan for future programmatic costs associated with capital replacements. The negotiated rulemaking process also included an update to Table 1-A to add two new license fees. The two new fees include mass flow meters and newly emerging technology for electric vehicle charging stations.

2 Proposed Changes

2.1 Section 016. – Changing Fees

For FY20, ISDA was approved to add an additional full-time position (FTP) in the Bureau of Weights and Measures (program). This FTP was initially given one-time funding from the general fund for the first year in FY20 with the recommendation from the Governor to continue to fund this position with dedicated funding in FY21 and beyond by increasing fees.

- ISDA requested one FTP for FY20 and beyond to accommodate the growth in commercial weighing and measuring devices occurring in northern Idaho. ISDA had not been able to keep pace with routine testing of weighing and measuring devices or conduct package checking and price verification inspections due to growth and increased complexity in testing. In 2018, ISDA identified 279 businesses and over 3800 devices that had not been inspected. Device owners pay an annual license fee to the program and expect their devices to be tested. In addition to testing devices, District 4A in northern Idaho (runs from Boundary County south to Benewah and Shoshone) averages 20 consumer complaints a year that required time sensitive investigations. ISDA attempted to cover the growth in northern Idaho by sending staff from outlying areas to assist in the workload. Due to location, time sensitive inspections, travel costs and the impact that occurs to current staff workloads, it was not cost effective to maintain this approach. ISDA added the additional staff in FY20 to handle the growth in inspections and provide a level of service that meets the needs of the public and business interests.
- The position was initially funded with \$116,600 split between \$53,800 in general fund money and \$62,800 from dedicated funding. Of the \$116,600, \$65,200 for personnel costs, \$36,100 for capital, and \$15,300 for operating. The fee increase needs to cover the general fund portion and needs to pay the dedicate funding (\$36,100 and \$15,300) that was appropriated for capital outlay and current and future operating expenditures related to the position.

As a result of a zero-based budget analysis, ISDA has sought to bring the program's current and future costs more in line to actual costs associated with the program. With the increase in fees the program's future funding will be approximately split 56% dedicated funding 44% general fund. This will change from the FY19 split of 44% dedicated fund and 56% general fund. The goal as mentioned above is to help cover the additional program FTP, future capital, and help with operating and payroll expenditures. The program has several specialized pieces of equipment that are used for different inspections. Currently these pieces of equipment are being utilized beyond their useful lives. There are non-capital pieces of equipment such as small scale kits and five gallon provers. The non-capital and capital equipment have different useful lives and ISDA's goal is to get the replacement of these items on consistent rotating schedules. The main capital items that the program uses for inspections are listed below:

- Ten trucks that each inspector uses to hold equipment for testing as well as haul trailers for inspections.
- Four large capacity scale trucks that are used in the different regions of the state and shared between inspectors.
- Three bulk oil scales.
- Ten different trailers that are comprised of large provers, gas trailers and LPG provers that are shared between inspectors.

The zero-based budgeting process considered potential revenues and expenditures through FY26, current equipment and the equipment's useful life and estimated replacement cost. ISDA also considered the replacement of funds related to the loss of Weighmasters fees. The program is trying to maintain a consistent schedule for capital replacements. In the current and next two fiscal years, the program is going to need to replace three trucks, two large scale trucks that are twenty years old and two large provers that are over forty years old. With the need of replacing these pieces of equipment, the current cash balance would be depleted by FY22. There will also be additional equipment purchases in FY23-25 for gas and prover trailers.

The largest fee increase is related to large scales. This fee increase will go from \$100 to \$200, and it will make up 50.95% of increased fee revenues. It will account for \$168K of additional revenues. These scales require the most expensive pieces of equipment and require the second most amount of time to conduct when considering total time spent on all large scales. The estimated replacement costs for scale trucks is \$300-\$350K. The time necessary to complete inspections of this type consume 28% of hours worked in FY19. To be able to replace a scale truck every four to five years, it appears that the additional revenue from the increase would be able to keep that replacement schedule and help support hours worked.

The next largest potential revenue increase from fees is related to gas meters. This will account for 26.39% of additional revenues, \$87K. The fee increase would increase from \$6 to \$10. Gas meters comprise the largest concentration of devices accounting for 21,844 or 66% of devices in FY19. Out of all devices, gas meters used the most inspection time when considering total time spent on all gas meters. For FY19, the devices accounted for 31% of inspection hours. For capital items, the program uses five gas trailers and periodically two prover trailers for inspections, as well as the trailers being hauled with the inspector's truck. A large volume of usage on the trucks is related to gas meter testing. The program has ten trucks and two will be replaced in FY20 and one in FY21. The program currently has three gas trailers that are over twenty years old that will need to be replaced starting in FY23. The program also needs to replace the prover trailers starting in FY22 as they are over forty and fifty years old. The program also uses additional inspector hours for responding to complaints and fuel related complaints accounted for 87% of complaints received in 2019.

Small scales are the next highest demand on hours for inspections at 19%. The fee increases associated with small scales accounts for 12.27%. Small scales only require small scale kits for each inspector, so outside of hours, small scales require use of the trucks that each inspector has to commute to each small scale device. The fee increase for small scales will account for about \$40K. This additional revenue will help with truck replacement and help support hours worked.

The three areas mentioned above account for much of the additional revenue related to a potential fee increase, hours worked, and number of devices. They also have the highest use of capital items associated with them that will require replacement.

Without a fee increase, the program will have a deficit cash balance and be unable to ensure proper equipment replacement. With a fee increase and projecting program costs through FY26, ISDA will be able to ensure proper capital replacement, supporting operating expenditures, and build a cash balance to continue capital replacement since the program must pay upfront for capital. To help ISDA ensure proper coverage of the FTP, capital replacements, and program costs, ISDA proposes the following fee increases to Table 1-A:

016. MAXIMUM AND MINIMUM LICENSE FEE SCHEDULE FOR COMMERCIALY-USED WEIGHING AND MEASURING INSTRUMENTS AND DEVICES.

The annual license fee for instruments and devices is based on manufacturer's rated capacity. The minimum annual license fee for commercially used instrument and device types shall be twelve dollars (\$12) when licensing a single device.

TABLE 1-A / As proposed		
DEVICE CODE	KEY	FEE
A	Scales ≤ 50 lb	\$6.00 <u>\$10.00</u>
B	Scales > 50 ≤ 1,159 lb	\$12.00 <u>\$20.00</u>
C	Scales ≥ 1,160 ≤ 7,499 lb	\$24.00 <u>\$40.00</u>
D	Scales ≥ 7,500 ≤ 59,999 lb	\$400.00 <u>\$200.00</u>
E & F	Scales 60,000 lbs or more	\$400.00 <u>\$200.00</u>
G	Meter < 20 gpm	\$6.00 <u>\$10.00</u>
H	Meter ≥ 30 < 150 gpm	\$33.00 <u>\$50.00</u>
I	Meter ≥ 150 gpm	\$40.00 <u>\$60.00</u>
J	LPG dispenser	\$40.00 <u>\$60.00</u>
K & L	LPG temperature compensated	\$60.00 <u>\$80.00</u>
M	Cordage or Fabric meter	\$5.00 <u>\$10.00</u>
N	Natural gas motor fuel devices	\$60.00 <u>\$80.00</u>

O	Bulk oil meter	\$35.00 <u>\$60.00</u>
T	Meter > 20 ≤ 30 gpm or fuel additive metering devices	\$10.00 <u>\$15.00</u>
<u>U</u>	<u>Mass Flow Meter</u>	<u>\$100.00</u>
<u>V</u>	<u>Electric Vehicle Charging System</u>	<u>\$100.00</u>

2.2 Section 016. Adding categories for Mass flow meters and Electric vehicle charging systems

ISDA is proposing to add electric vehicle charging stations and mass flow meters to the key found in Table 1-A. This addition includes a fee for each to cover associated costs for testing. Idaho has been getting more mass flow meter devices that require testing and should have an associated fee to help cover the costs. With more electric vehicles being purchased, pay-for charging stations are starting to be added around the state. In addition, the National Institute of Standards and Technology (NIST) has testing requirements for these types of charging stations currently as temporary in Handbook 44 which covers Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices. It is highly probable that the vote taken at the National Conference of Weights and Measures (which Idaho is a member) will result in this requirement moving from temporary to permanent for testing these devices. A vote was supposed to be held this year but was delayed to the following year due to COVID.

2.3 Other Changes

No additional changes are proposed.

Device Code	Key	Current Fee	2019 Receipts	Devices	Suggested Fee	Revised Revenue	Increase in Revenue
A	Scales £ 50 lb	\$6.00	\$ 30,474.00	5,079	\$10.00	\$ 50,790.00	\$ 20,316.00
B	Scales > 50 £ 1,159 lb	\$12.00	\$ 15,960.00	1,330	\$20.00	\$ 26,600.00	\$ 10,640.00
C	Scales ³ 1,160 £ 7,499 lb	\$24.00	\$ 14,496.00	604	\$40.00	\$ 24,160.00	\$ 9,664.00
D	Scales ³ 7,500 £ 59,999 lb	\$100.00	\$ 39,500.00	395	\$200.00	\$ 79,000.00	\$ 39,500.00
E & F	Scales 60,000 lbs or more	\$100.00	\$129,200.00	1,292	\$200.00	\$258,400.00	\$129,200.00
G	Meter < 20 gpm	\$6.00	\$131,064.00	21,844	\$10.00	\$218,440.00	\$ 87,376.00
H	Meter ³ 30 < 150 gpm	\$33.00	\$ 18,909.00	573	\$50.00	\$ 28,650.00	\$ 9,741.00
I	Meter ³ 150 gpm	\$40.00	\$ 5,640.00	141	\$60.00	\$ 8,460.00	\$ 2,820.00
J	LPG dispenser	\$40.00	\$ 16,360.00	409	\$60.00	\$ 24,540.00	\$ 8,180.00
K & L	LPG temperature compensated	\$60.00	\$ 14,820.00	247	\$80.00	\$ 19,760.00	\$ 4,940.00
M	Cordage or Fabric meter	\$5.00	\$ 945.00	189	\$10.00	\$ 1,890.00	\$ 945.00
N	Natural gas motor fuel devices	\$60.00	\$ 240.00	4	\$80.00	\$ 320.00	\$ 80.00
O	Bulk oil meter	\$35.00	\$ 5,005.00	143	\$60.00	\$ 8,580.00	\$ 3,575.00
T	Meter > 20 £ 30 gpm or fuel additive metering devices	\$10.00	\$ 8,290.00	829	\$15.00	\$ 12,435.00	\$ 4,145.00
U*	Mass Flow Meter				\$100.00	\$ -	\$ -
V*	Electric Vehicle Charging System				\$100.00	\$ -	\$ -
Total Dollar or Devices			\$ 430,903.00	33,079		\$ 762,025.00	\$ 331,122.00

* - New Devices