

## Department of Planning and Budget 2016 Fiscal Impact Statement

1. **Bill Number:** HB1273ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. **Patron:** O'Bannon

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Regulation of X-ray machines.

5. **Summary:** Clarifies the authority of the Department of Health (the Department) related to registration and inspection of X-ray producing devices and requires the Department to develop a list of qualified private inspectors of X-ray machines and develop regulations for the annual registration of such private inspectors. The bill authorizes the Department to collect a fee for registration of private inspectors of X-ray machines.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** See item #8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017	\$95,000	1.0	0200
2018	\$75,000	1.0	0200
2019	\$75,000	1.0	0200
2020	\$75,000	1.0	0200

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2017	\$122,050	0200
2018	\$88,300	0200
2019	\$88,300	0200
2020	\$88,300	0200

8. **Fiscal Implications:** This bill would not have a fiscal impact on the Commonwealth because fees should be sufficient enough to cover the provisions of the bill.

The agency has stated that revenue collected from establishing private inspector fees and the registration of non-devices will require the adoption of Radiological Health regulations to set the fees. If the proposed legislation is passed and the regulations adopted, these fees will be sufficient enough used to purchase x-ray program equipment to be used in inspections, to fund staffing necessary for the tracking of Private Inspector certifications as well as device registrations and inspections, and the issuance of device certificates once they are registered.

The purchase of one UNFORS x-ray inspection device, including an annual calibration and repair service agreement, costs approximately \$20,000. Furthermore, an x-ray program staff member will be needed to track device registrations, conduct inspections (when not conducted by Private Inspectors), issue certificates, etc. requires about \$75,000/year (mean for Radiation Safety Specialists including salary, benefits and office/administrative overhead). However, the agency has enough nongeneral fund appropriation and positions within their current budget.

The proposed legislation will make it clear that all x-ray producing devices, such as, therapeutic, diagnostic and non-medical, are to be inspected. It should be noted that “where the operator or owner of the aforementioned machines is a state agency or local government, that agency is exempt from the payment of the registration fee” (12VAC5-490-10, Registration fees).

The estimated revenue from non-medical device inspections, non-medical device registration and private inspector fees are as follows:

#### Inspection of non-medical x-ray devices

- Baggage X-Ray Unit:  $\$100 \times 300$  machines over 5 years = \$30,000, or \$6,000 a year
- Cabinet/Analytical X-Ray Unit:  $\$150 \times 500$  machines over 3 years = \$75,000 or \$25,000 a year
- Industrial Radiography X-Ray Unit:  $\$200 \times 500$  machines = \$100,000
- Estimated Total = \$131,000/year
  - Most inspections will be performed by private inspectors until or unless the Department increases the number of staff x-ray device inspectors. Therefore, 5% of this figure, or \$6550, is estimated as potential X-Ray program revenue.

#### Registration of non-medical x-ray devices

All operators or owners of baggage, cabinet or analytical, or industrial x-ray machines capable of producing radiation shall pay the following annual registration fee:

- \$20 for each machine used for baggage inspection;
- \$25 for each machine identified as cabinet or analytical; and
- \$50 for each machine used for industrial radiography.
- Revenue estimate:  $1,500 \text{ machines/tubes} \times \$32$  (average of above) = \$48,000/year

#### Private Inspector fees

- \$300 initially and \$150 per year after
- One time cost of  $\$300 \times 225$  Private Inspectors = \$67,500
- Annually thereafter:  $\$150 \times 225$  Private Inspectors = \$33,750/year

**9. Specific Agency or Political Subdivisions Affected:** Department of Health.

**10. Technical Amendment Necessary:** Yes.

**11. Other Comments:** None.