

February 11, 2025

The Honorable Michael Fagg, Chairperson
Senate Committee on Utilities
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Fagg:

SUBJECT: Fiscal Note for SB 171 by Senate Committee on Utilities

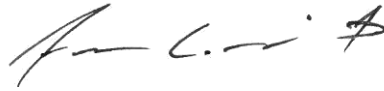
In accordance with KSA 75-3715a, the following fiscal note concerning SB 171 is respectfully submitted to your committee.

SB 171 would amend the Nuclear Energy Development and Radiation Control Act to add licensure and regulation of fusion systems. The bill would define “fusion system,” and authorize the Secretary of Health and Environment to collect an annual fee up to \$40,000 for licenses that authorize only the possession, use or installation of a fusion system. The bill would also allow the Secretary to collect late fees for all licenses and registrations under the Act.

According to the Kansas Department of Health and Environment, provisions of SB 171 related to the authorization to collect late fees could increase revenue to the agency by up to \$92,994 beginning in FY 2026. This is the total estimate using data on late payments the agency received in FY 2024, but actual collection would likely be less as the fees would encourage better compliance with on-time payments. This could also result in efficiencies for staff who would no longer have to intervene and pursue civil penalties for violations as often. The agency was unable to estimate a fiscal effect for provisions of the bill related to the licensing of fusion systems as there are currently no nuclear fusion systems in the state. The agency states that it is unable to predict if or when a nuclear fusion facility would apply for a license in Kansas but notes that nuclear fusion technology is rapidly evolving and varies widely resulting in unpredictable licensing costs. There are currently 21 operating fusion systems in the country and three under construction with another 21 planned in the future. KDHE reports that several states have indicated that existing fee structures are insufficient to cover the expenses associated with licensing fusion

systems, resulting in the state shouldering much of the cost. Any fiscal effect associated with SB 171 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt" with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment