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Testimony on House Bill 2600

An act concerning the nuclear energy development and radiation control act; relating to maximum licensing fees and providing for the assessment of fees for a licensee's noncontiguous sites

**Presented to
Committee on Public Health and Welfare**

By

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Chairman Schmidt and members of the committee, I am Kimberly Steves, Director of the Radiation Control Program at the Kansas Department of Health and Environment. Thank you for the opportunity to provide testimony in support of HB2600, an act relating to the maximum radioactive materials licensing fees and modifying the fee structure for licensee's with noncontiguous sites.

Kansas is an Agreement State. This means that Kansas has entered into an Agreement with the Nuclear Regulatory Commission (NRC) which gives us the authority to license and inspect radioactive material used or possessed within our state. Kansas works under the oversight of the NRC. To continue our program we must remain compatible with the federal program, and we receive periodic audits and inspections by the NRC.

There are many benefits to our state from being an Agreement State. Examples of the benefits include:

- Facilities which possess and use radioactive material are able to work directly with Kansas Radiation Control staff rather than federal NRC staff.
- The Kansas radioactive materials license fees are considerably lower than if the facilities were paying the fees to the NRC.
- Kansas staff are in closer proximity and able to respond to incidents involving the licensed material and provide assistance in a more timely manner, as the closest NRC staff are located in Arlington, TX.
- Kansas is able to maintain an increased number of qualified health physicists and radiation scientists on staff, which provides more expertise for any type of radiological incident or emergency, whether related to licensed material or other, which occurs in our state.

This bill includes a maximum fee increase of approximately 35% in all fee categories. This provision does not have a fiscal impact on the budget because actual fees are set in regulation and KDHE does not

plan to raise the fees in regulation at this time. We are requesting the maximum fees to be raised because the actual fees as set in regulation are currently near the maximum. Our last fee increase went into effect in 2013 and was at that time estimated to be sufficient for five years. We have reached that five year estimate, and a future increase in regulatory fees may be needed to maintain the program.

This bill also includes provisions to change the method of charging radioactive materials license fees to those facilities which have multiple sites of use. This bill adds an additional 50% of the license fee to each additional site of use. We believe this is an equitable method to add needed financial support to our program because:

- Kansas radioactive materials license writers spend a large amount of time in license work, including an overall review of all the provisions of the license, working with the licensee to obtain all needed documentation, and making regular license amendments. For those licenses which involve radioactive materials at multiple sites, the licensing time is increased. The current license fee does not support the costs associated with writing these type of licenses.
- For those licenses with multiple sites of use, Kansas radioactive materials inspectors spend a larger amount travel money and time traveling to various sites where radioactive materials are used for inspections. In the cases of hospitals with satellite medical facilities across the state, the additional travel time could be measured in days. The current license fee does not support the costs associated with inspecting these type of licenses.
- Currently a small business with just one location of use is paying the same fee for their radioactive materials license as a large facility with multiple sites of use, and this is not equitable. The inequity continues to increase as facilities merge and multiple licenses become one single license. However, the KDHE work load does not decrease, though the fees we receive do decrease.

When we compare the option of modifying the radioactive materials license fee structure as described in this bill with an across the board raising of all license fees, this is clearly a more equitable solution.

Attached to this testimony are two tables for your information. One table summarizes the impact of our proposal to our radioactive materials licensees, showing that at this time 48 out of 270 total licenses have multiple sites of use, and that the total increase in fees from this proposal would be \$85,015, with an average fee increase of \$1,771. The second table shows a comparison of current license fees for some of our more typical types of radioactive materials licenses between Kansas and some of our neighboring states. This second table also shows the comparable fees charged by the Nuclear Regulatory Commission, which you will see are considerably higher. Many states also have additional fees for license applications, license amendments, and license inspections. Kansas does not charge fees for any of those categories.

In our KDHE radiation control programs, we are completely self-sufficient financially through fees and grants. I feel strongly that we are good stewards of our money, and that we do excellent work to ensure the safety of Kansans from the beneficial use of radioactive materials. We must, however, be able to recoup our costs, and maintain our current level of services. An increase in the radioactive materials fee structure as described in this bill will help us to do that in a fair and equitable way. The alternative to our radioactive materials licensing program is for the Nuclear Regulatory Commission to take it over, and I guarantee you that our radioactive materials licensees do not want that.

Thank you for consideration of HB2600.

IMPACT SUMMARY OF INCREASING RADIOACTIVE MATERIALS LICENSE FEES FOR LICENSEES WITH MULTIPLE SITES OF USE

Total number of KS radioactive materials Licenses with multiple sites of use	48
Total estimated annual increase in license fees	\$85,015.00
Average increase in fees per licensee with multiple sites of use	\$ 1,771.15

RADIOACTIVE MATERIALS LICENSE FEE COMPARISONS

Type of Fee	Kansas	Iowa*	Nebraska	Oklahoma	Minnesota**	Texas***	Colorado****	NRC*****
Academia – Broad Scope	\$4940	\$10500	\$18000	\$5320	\$19920	\$23810	\$11605	\$25900
Civil Defense	\$540	\$1000	\$1100	\$1725	NA	NA	\$1270	\$7600
Industrial Radiography	\$5105	\$4300	\$6500	\$13500	\$9840	\$8490-\$17870	\$14540	\$27000
Industrial Portable Gauge	\$1040	\$650	\$1500	\$1590	\$2000	\$3240	\$2790	\$9300
Industrial Fixed Gauge	\$1040	\$650	\$1500	\$1590	\$2000	\$3410	\$2790	\$9300
Medical – Broad Scope	\$10305	NA	\$18000	\$22720	\$19920	\$23810	\$28015	\$33800
Medical – Institution	\$1920	\$2000	\$3900	\$22720	\$3680	\$3620	\$5335	\$14700
Research & Development	\$4940	\$2500	\$3800	\$11790	\$9520	\$5970	\$5110	\$25900
Service Provider	\$2535	\$650	\$4300	\$5900	\$4960	\$1460-\$3600	\$5560	\$25900
Well Logging	\$1985	NA	\$2500	\$7910	\$3760	\$5920	\$10200	\$16000
Reciprocity	\$625	\$1800	\$750-\$2900	\$2880-\$4030	\$1200	Same as above	75% of above	Same as above

*Iowa charges a fee of \$400 for each license amendment

**Minnesota charges a fee of \$300 for each license amendment

***Texas charges 25% of applicable fee not to exceed 50 additional sites for additional authorized use sites where radioactive material is stored or used under the same license or where only records are stored

****Colorado charges inspection fees ranging from \$1950 - \$7335

*****NRC charges \$304 for each new license application in addition to the required annual fee. They also charge \$189 per hour of direct staff time associated with the review for an expedited license review

*****Missouri is not included because they are not an Agreement State and therefore the fees charged in Missouri are the NRC fees