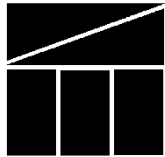


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

12 VAC 5-490 – Virginia Radiation Protection Regulations: Fee Schedule
Department of Health
Town Hall Action/Stage: 4371/7476
June 9, 2016

Summary of the Proposed Amendments to Regulation

The State Board of Health (Board) proposes to amend the registration fee for x-ray machines inspected every three years and add three new fee categories for the annual registration and periodic inspection of non-medical x-ray devices.

Result of Analysis

Benefits likely outweigh costs for these proposed changes.

Estimated Economic Impact

Current regulation requires owners of medical use x-ray machines and tubes that need to be inspected every three years to pay a registration fee of \$50 every three years. The Board proposes to raise this fee to \$60 every three years because costs for administering this program have increased. This change will minimally increase costs for owners of such machines (by about \$3 per year per machine and tube) but the costs of this change are likely outweighed by the benefits of periodically ensuring that x-ray machines are in safe working order.

Although all owners of x-ray machines that are located in the Commonwealth, and are not under the auspices of the federal government¹, are required to register such machine with the Virginia Department of Health (VDH), currently only owners of medical use x-ray machines are

¹ Airports are under federal auspices and are exempt from this regulation.

required to pay a registration fee and an inspection fee (if VDH is the entity that completes the inspection). The Board proposes to add three categories of registration and inspection fees for VDH inspections that will apply to owners of non-medical use x-ray machines. The Board proposes to require an annual registration fee of \$20 for each x-ray machine used for baggage inspection, \$25 for each x-ray machine that is identified as cabinet or analytical² and \$50 for each x-ray machine used for industrial radiography³.

Additionally, the Board proposes to add inspection fees and required inspection intervals for non-medical x-ray machines. Baggage x-ray units will be required to be inspected every five years and will be subject to an inspection fee of \$100 if they are inspected by VDH. Cabinet/analytical x-ray units will be required to be inspected every three years and will be subject to an inspection fee of \$150 if they are inspected by VDH. Industrial radiography x-ray machines will be required to be inspected every year and will be subject to an inspection fee of \$200 if they are inspected by VDH. Board staff reports that about 85% of medical x-ray machine inspections are completed by private businesses rather than VDH, that they expect that most inspections of non-medical x-ray machines will also be completed privately and that the Board does not have estimates of how private inspection fees will compare to those charged by VDH. However, Board staff also reports that fees for private inspection of medical use x-ray machines are generally higher than those charged by VDH for inspecting any given category of machine.

Owners of non-medical x-ray machines that are not local or state governments⁴ will newly incur annual registration costs on account of this proposal. Owners of non-medical x-ray machines will only newly incur costs for inspections to the extent that they were not already being inspected at intervals newly required by the Board. These costs are likely outweighed by the benefits of periodically ensuring that x-ray machines are in safe working order.

Businesses and Entities Affected

Board staff reports that this proposed regulation will affect all owners of medical use x-ray devices that require inspection every three years as well as all owners of non-medical x-ray

² Industries who engage in research and development would be one example of this.

³ Industrial radiography is a method of inspecting materials for hidden flaws by using the ability of short X-rays and gamma rays to penetrate various materials. Two ways to inspect materials for flaws is to utilize X-ray computed tomography or Industrial computed tomography scanning.

⁴ State and local governments that have x-ray machines in places like schools, courthouses, jails and prisons are exempt from the Board's proposed registration fees but still must pay for periodic inspections of these machines.

machines. Board staff further reports that there are currently 630 non-medical facilities with 1,597 x-ray machines; of these, 190 facilities are state or local government entities, 110 are likely small businesses and the remaining 330 are private businesses that would not qualify as small businesses.

Localities Particularly Affected

No locality will be particularly affected by this regulatory change.

Projected Impact on Employment

This proposed regulatory change is unlikely to have any impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

This proposed regulation is unlikely to have any impact on the use or value of private property.

Real Estate Development Costs

This proposed regulation is unlikely to affect real estate development costs.

Small Businesses:

Definition

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

Affected non-medical small businesses will incur costs for annual registration, and period inspection, of any x-ray machines that they own. Affected medical small businesses will incur an additional \$10 cost every three years for registration of each x-ray machine and additional tube that they own.

Alternative Method that Minimizes Adverse Impact

There are likely no alternative methods that would both satisfy the Board’s aim of ensuring x-ray machine safety and further minimize costs.

Adverse Impacts:**Businesses:**

Affected non-medical businesses will incur costs for annual registration, and period inspection, of any x-ray machines that they own. Affected medical businesses will incur an additional \$10 cost every three years for registration of each x-ray machine and additional tube that they own.

Localities:

Affected localities will incur costs for required inspections only to the extent that they are not already inspecting these machines at the required intervals proposed in this regulation, but will not incur registration fees.

Other Entities:

No other entities are likely to suffer any adverse impact on account of this proposed regulation.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

