

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

---

**MEASURE NUMBER:** HB 2193                      **STATUS:** Original  
**SUBJECT:** Statutory fee increase for tanning device, X-Ray machines, microwave oven repair facilities, and for the accrediting and accreditation renewal of radiology inspectors  
**GOVERNMENT UNIT AFFECTED:** Department of Human Services  
**PREPARED BY:** John F. Borden  
**REVIEWED BY:** John C. Britton  
**DATE:** May 31, 2007              **<REVISED>**

---

<b>EXPENDITURES:</b>	<u><b>2007-2009</b></u>	<u><b>2009-2011</b></u>
Department of Human Services		
Personal Services	\$ 218,791	\$ 256,512
Services and Supplies	\$ 105,489	\$ 68,081
Capital Outlay	\$ 20,520	\$ --
Total – Other Funds	\$ <u>344,800</u>	\$ <u>324,593</u>

<b>REVENUES:</b>	<u><b>2007-2009</b></u>	<u><b>2009-2011</b></u>
Fee – Other Funds	\$ 349,031	\$ 407,831

**POSITIONS / FTE:**  
Two Environmental Health Specialist 3s; one Research Analyst 4              3/1.71              3/2.00

**EFFECTIVE DATE:** January 1, 2008

**GOVERNOR’S BUDGET:** This bill is anticipated by the Governor’s recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This measure increases *annual* fees on tanning devices, *biennial* registration fees on various medical, academic, or industrial x-ray machines, as well as microwave oven repair facilities. The measure also increases fees for accrediting and accreditation renewal of radiology inspectors. The statutory fees are due and payable as prescribed by Department of Human Services (DHS) Oregon Administrative Rule.

DHS reports that this measure would impact fees for 2,450 tanning devices registered with 720 registrants and 8,884 registered X-ray machines/linear accelerators and 55 microwave oven repair facility machines registered with 3,150 registrants. DHS reports a backlog of approximately 1,000 past due inspections of X-ray machines.

Under this measure tanning device fees would increase by \$24 annually and X-ray machines/linear accelerators/microwave repair facility machines fees would increase on *average* \$43 each biennium. DHS estimates the incremental revenue impact of this measure to be \$349,031 Other Funds for 18-months of the 2007-09 biennium and \$407,831 Other Funds for 24-months of the 2009-11 biennium. Of

these amounts, tanning device fee increases are estimated to produce \$58,800 for the 2007-09 biennium and \$117,600 for the 2009-11 biennium. The majority of the incremental revenue produced would be from all other fee increases and is estimated to be \$290,231 per biennium. DHS notes that the radiological inspector fee increase is not anticipated to generate additional revenue as the Department has to-date conducted no such accreditations.

DHS estimates the corresponding expenditure impact of this measure to be \$344,800 Other Funds for 18-months of the 2007-09 biennium and \$324,593 Other Funds for 24-months of the 2009-11 biennium. These expenditures represent additional staff to conduct inspections for X-ray machines/linear accelerators/microwave repair facility machines. The Department plans no additional inspections for tanning devices. DHS states that it would hire two new inspection staff (Environmental Health Specialist 3) for 1.50 FTE plus one researcher (Research Analyst 4) for 0.50 FTE. The researcher would conduct statistical analysis related to inspections program outcomes. The personal services for these three positions is \$218,791 for the 2007-09 biennium. Associated services and supplies and capital outlay costs are \$126,009 based on the following:

- On-going or reoccurring costs (totaling \$62,339):
  - expenditures instate/out-of-state travel, training, office expense (\$19,449);
  - administrative overhead charge, primarily for an internal agency rental charge (\$22,890)
  - additional travel to alleviate an inspection backlog and training costs (\$20,000);
  
- One-time costs (\$63,670):
  - Additional instate/out-of-state travel to alleviate an inspection backlog and training costs (\$14,200);
  - one-time purchase of computers, printers, training (\$14,928);
  - office furniture (\$14,022);
  - capital outlay purchase of radiation and field inspection equipment (\$20,520).

DHS has a policy package (#105-50) in the 2007-09 Governor's recommended budget related to this measure. The package was approved in the Co-Chairs of the Joint Committee on Ways and Means budget. The figures detailed in that policy package, however, have since been revised (reduced) by the Department. The figures in this fiscal impact represent the Department's revised estimated cost of this measure.

Lastly, the Legislative Fiscal Office notes that when the DHS budget measure containing this policy package (HB 5031) is heard in the Joint Committee on Ways and Means, an evaluation of the fiscal impact will occur, in particular as it relates to the Department's need for a Research Analyst 4 position and significant instate/out-of-state expenses.