

SUBJECT: Changing late fees for nonpayment of radioactive material licenses

COMMITTEE: Environmental Regulation — favorable, without amendment

VOTE: 8 ayes — Chisum, Jackson, Allen, Hirschi, Howard, Kuempel, Puente, Talton
0 nays
1 absent — Dukes

WITNESSES: For — Elbert Hutchins, Texas Veterinary Medical Association
Against — None
On — Richard Ratliff, Texas Department of Health

BACKGROUND : The Texas Department of Health (TDH) licenses those who process radioactive materials and registers x-ray machines. License and registration fees, which cover the cost of inspections and licensing, range from \$115 for a dental x-ray machine to \$64,820 for a Class C radioactive waste processor. If a licensee or registrant is late in paying the annual fee, the department collects a late penalty fee, set by statute at an minimum of \$100 and a maximum of \$10,000 annually. TDH determines penalties based on a graduated formula that considers the cost of the license. It charges a \$100 late fee for licenses ranging from \$100 to \$499, for example. For licenses over \$5,000, TDH assesses a penalty of 20 percent of the license cost.

DIGEST: HB 2170 would change the minimum fee assessed for late payment of a radioactive materials license or x-ray machine registration from \$100 to 20 percent of the amount of the annual license or registration fee.
The bill would take effect September 1, 1997

SUPPORTERS SAY: HB 2170 would more equitably assess penalties for late payment of radioactive materials licenses and x-ray machine registration fees by ensuring that the late fees were proportionate to the cost of the license. Since current law prohibits the department from assessing a late fee of less

than \$100, it must assess penalties that are almost 100 percent of the licensing costs for those paying the smaller fees. HB 2170 would ameliorate this situation by simply having all licensees pay a minimum cost of 20 percent of their licensing fees, while total fees would remain capped at \$10,000.

Currently, veterinarians and dentists who are late in remitting their license fees for a single x-ray machine must pay a penalty that is almost as much as the license itself. Under HB 2170, however, a dentist paying \$115 annually to register one x-ray machine would pay a late fee fine of \$23 rather than the \$100 required by current law. Those who pay the smaller license fees are often small businesses that often cannot even afford a full-time bookkeeper and have a hard time keeping up with state licensing and registration requirements.

TDH already makes the penalty proportionate to the fee in cases involving high-dollar licenses. HB 2170 would merely allow those who pay smaller license fees to have the same policy applied to them. There is nothing in the bill to prohibit TDH from imposing more severe penalties on repeat or flagrant offenders of state licensing requirements.

**OPPONENTS
SAY:**

The state should not change the law to coddle those who pay their state fees late. TDH already bends over backwards to accommodate those who are tardy in paying their bills, sending all license holders and registrants notification of their bill 90 days before it is due and allowing them to pay up to a month late without penalties. HB 2170 would diminish an incentive to pay on time and make more work for the agency in getting scofflaws to pay up while eliminating the revenue to cover these administrative costs. The fiscal note for HB 2170 shows that TDH estimates the change would result in an annual revenue loss to the state of approximately \$70,000.