



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 802

PRINTERS NO. 1524

PRIME SPONSOR: Corman

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0

SUMMARY: This legislation represents a comprehensive rewrite of the Boiler and Unfired Pressure Vessel Law (Act 85 of 1998). The provisions relating to commissioned private inspectors/inspection agencies are effective 60 days after the publication of implementing regulations in the PA Bulletin. All other provisions within the legislation are effective in 180 days.

ANALYSIS: The legislation impacting the Department of Labor & Industry (L&I) updates the Boiler and Unfired Pressure Vessel Law to eliminate confusing language, to allow for innovation made possible by technological advances, and to allow for third party inspection agencies to inspect boilers and unfired pressure vessels.

National Standards for Boilers and Unfired Pressure Vessels: This legislation updates the national standards that are applied to boilers and unfired pressure vessels. The legislation adopts the applicable up-to-date 2010 and 2011 codes and provides that L&I may update the codes by regulation.

Certification Program of Authorized Private Inspection Agencies: The legislation will authorize L&I to promulgate regulations to certify authorized private inspection agencies to employ commissioned inspectors and engage in the business of inspecting boilers and unfired pressure vessels.

Administrative Penalties and Criminal Sanctions for Violations: The legislation provides for administrative penalties and other corrective action and repeals the criminal penalties section. The new administrative penalty will be a fine of up to \$2,500, and the legislation provides for an administrative law process for enforcement.

Boiler and Unfired Pressure Vessel Law Terminology: The legislation defines many technical terms in order to create clarity in the regulated community. Examples of new terms that are defined are "Heat Exchanger", "Heating Boiler", "Instantaneous Heating Boiler", "Instantaneous Water Heater", "Modular Boiler", and "Portable Boiler".

Appeal Process: The legislation provides clear statutory guidance on the right to file appeals of certain decisions to the Industrial Board and subsequently, the Commonwealth Court.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth funds as there is no mandate that the Department of Labor and Industry license third party inspection agencies and inspectors. According to the Department, if they started the licensing provision, they would incur some additional costs which are unknown at this point. Any increased costs to the General Fund could be offset with the new registration fee revenue on inspection agencies and inspectors. The legislation also provides for a new administrative penalty not to exceed \$2,500. This would allow for the new revenue to the General Fund as well, though the amount is indeterminable at this point.

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House Appropriations Committee (R)

DATE: November 15, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.