

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 802

PRINTER'S NO. 1149

AMOUNT

Increased Fine Revenue - FY 2013-14
Future Increased Administrative Costs
and Fee Revenue in FY 2014-15/FY 2015-16

FUND

General Fund
General Fund

DATE INTRODUCED

April 4, 2013

PRIME SPONSOR

Senator Corman

HISTORY OF BILL

Referred to LABOR AND INDUSTRY, April 4, 2013
Reported as amended, May 7, 2013
First consideration, May 7, 2013
Re-referred to APPROPRIATIONS, May 14, 2013
Re-reported as amended, June 3, 2013

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 802 amends the Boiler and Unfired Pressure Vessel Law to modernize and updates the inspection standards applied to boilers. The bill allows for private inspection of boilers and unfired pressure vessels in the Commonwealth.

The bill requires that every boiler or unfired pressure vessel used or destined for use in the Commonwealth be designed, constructed and installed in accordance with the codes adopted by this act or any successor code adopted by the Department of Labor & Industry (L & I). The bill lists the codes and editions that L & I shall use until new regulations are promulgated and become effective.

Senate Bill 802 further clarifies that the act does not apply to the stationary use of pressure vessels used for transportation of compressed gases; to boilers located in one-family and two-family dwellings; to boilers located in agricultural buildings; to storage water heaters and instantaneous water heaters meeting certain criteria; to unfired pressure vessels meeting certain criteria; to filters and softeners meeting certain criteria; to air conditioner heat exchangers or chillers or refrigeration unit heat exchangers meeting certain criteria; to any other boiler or unfired pressure vessel L & I identifies by regulation.

The bill requires that a change of address must also be filed with L & I for portable boilers.

Senate Bill 802 specifies that no boiler or unfired pressure vessel may be operated unless it is inspected and has a certificate of operation issued by L & I and provides for the use of a commissioned private inspector to field-inspect a boiler or unfired pressure vessel if all of the following apply:

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- 1) The inspector, at the time of the inspection, possesses a valid commission issued by L & I;
- 2) The inspector is employed by or possesses a certification as an authorized private inspection agency; and
- 3) The boiler or unfired pressure vessel is not insured by a company authorized to insure boilers or unfired pressure vessels, unless the inspector has contracted with such company to perform the field inspection.

The bill requires inspectors to forward to L & I a report for each field inspection performed on a boiler or unfired pressure vessel, showing the exact condition of the boiler or unfired pressure vessel. The reports must be submitted within 15 days of the date of the inspection.

Senate Bill 802 requires a boiler or unfired pressure vessel to be inspected before being placed into service and to be subject to regular inspection on a periodic basis. Specific inspection requirements and exceptions are provided for power boilers and process boilers. Specific timeframes for field inspections are provided for low-pressure steam vapor, hot water heating and supply boilers, as well as for unfired pressure vessels. The bill authorizes L & I to alter the inspection schedule by not more than six months upon request of the owner or insurer of the boiler or unfired pressure vessel.

The bill provides that if the boiler or unfired pressure vessel is determined to be deficient, and thus dangerous to life or property, the inspector must immediately report all deficiencies to L & I. It specifies that the unsafe unit may not be operated until proper repairs are made in accordance with this act; an inspection indicates it is in safe operational condition; and a certificate of operation is issued by L & I.

Senate Bill 802 authorizes L & I to issue a certificate of operation, if the inspection report indicates the boiler or unfired pressure vessel is in compliance with applicable codes and is safe for operation. The certificate of operation is not valid until the appropriate fee is paid to L & I.

The bill requires private inspectors to receive a commission from L & I and to renew the commission annually, with appropriate fees paid. The bill authorizes the Secretary of L & I to suspend or revoke, for just cause, the commission of an inspector or authorized private inspection agency. The bill prohibits individuals and entities with any direct or indirect interest in the manufacture, sale or repair of boilers or unfired pressure vessels from being commissioned to act as an inspector or as an authorized private inspection agency.

The bill itemizes specific provisions that must be included in regulations promulgated by L & I for the certification and renewal of certification of authorized private inspection agencies, including submission of an application, payment of a fee, satisfactory proof of liability insurance, and proof of accreditation.

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The Department is required to enforce the act and is empowered to promulgate and enforce regulations to implement the act. It grants L & I the right of entry to any building or structure which houses boilers or unfired pressure vessels in order to investigate violations of the act.

The bill requires the owner of a boiler or unfired pressure vessel to submit an accident report to L & I within 5 days of an accident involving same. The bill provides that L & I can issue an order to place a boiler or an unfired pressure vessel out of service and provides for an appeal process for such orders.

As amended, the bill authorizes L & I to impose administrative penalties for violations of the act and requires the fines and fees to be deposited into the General Fund.

Provisions related to commissioned private inspectors and authorized private inspection agencies take effect 60 days following publication of notice in the Pennsylvania Bulletin. The remainder of the act takes effect in 180 days.

FISCAL IMPACT:

The Department indicates that it expects to incur additional costs to commission private inspectors and to certify authorized private inspections agencies beginning in FY 14/15 due to the delayed effective date for those provisions. The Department also expects to see an increase in revenue due to the increases in fines and penalties contained in the bill. The Department advises that it has no current estimate of increased revenues or costs at this time.

The Department is not expected to incur significant additional costs in FY 13/14.