

S.B. NO. 2837

JAN 25 2012

A BILL FOR AN ACT

RELATING TO THE BOILER AND ELEVATOR SAFETY LAW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 397, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§397- Boiler and elevator special fund; establishment;

5 purposes. (a) There is established in the state treasury a
6 fund to be known as the boiler and elevator special fund into
7 which shall be deposited all fees collected pursuant to section
8 397-5 and any interest and investment moneys earned on any
9 moneys in the fund.

10 (b) The purpose of the special fund is to provide for
11 sufficient operating costs to carry out the purpose of this
12 chapter. Funds may be used for:

13 (1) Personnel and operating expenses;

14 (2) Staff training and staff certification fees and
15 expenses;

1 (3) Preparation and dissemination of public information on
2 safe installation and use of the equipment regulated by
3 this chapter; and

4 (4) Preparation of annual reports to the legislature as
5 required by this chapter.

6 (c) Penalties collected pursuant to section 397-8 shall be
7 deposited into the general fund of the State.

8 (d) The director shall submit an annual report to the
9 legislature on the status of the fund, including
10 expenditures and program results, not less than twenty days
11 prior to the convening of each regular session."

12 SECTION 2. Section 397-5, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§397-5 Fees.** (a) The director may prescribe reasonable
15 fees to be charged for inspection, examination, other services
16 rendered and for permits, certificates, or licenses, the
17 issuance of which are required by this chapter or by any rule or
18 regulation of the department promulgated pursuant to this
19 chapter, and for:

20 (1) ~~(Inspection)~~ Inspections by department of any boiler,
21 pressure system, amusement ride, and elevator and
22 kindred equipment for which a permit or certificate is

1 required for its installation, operation or use and
2 which is required to be inspected by this chapter or
3 by any rule or regulation of the department; and

4 (2) Examination of any person applying for permits,
5 certificates or licenses as required by this chapter
6 or by any rule or regulation of the department.

7 ~~[(b) All fees received by the department pursuant to this~~
8 ~~section shall be paid into the general fund of the State.]"~~

9 (b) Effective July 1, 2012, the fees for inspections,
10 permits, and examinations of boilers and pressure systems and
11 elevators and kindred equipment shall be as prescribed by the
12 schedules in this section until such time as the director amends
13 such fees by rulemaking in accordance with chapter 91.

14 SCHEDULE A: Boiler and Pressure System Fees

15 Installation, Repair and Alteration Permit Fees:

16 (1) Power boilers shall pass a hydrostatic test unless
17 indicated otherwise:

18 Miniature electric (no hydrostatic test

19 Required) \$ 190

20 Less than 500 square feet of heating surface \$ 250

21 Greater than or equal to 500 and less than

| | | |
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| 1 | <u>or equal to 3000 square feet of heating</u> | |
| 2 | <u>surface</u> | \$ 400 |
| 3 | <u>Greater than 3000 square feet of heating</u> | |
| 4 | <u>Surface</u> | \$ 750 |
| 5 | (2) <u>Heating boiler</u> | \$ 190 |
| 6 | <u>Retrofit</u> | \$ 160 |
| 7 | (3) <u>Pressure vessel</u> | \$ 175 |
| 8 | <u>Retrofit</u> | \$ 130 |
| 9 | (4) <u>Sterilizers and steam kettles</u> | \$ 150 |
| 10 | <u>Retrofit</u> | \$ 110 |
| 11 | (5) <u>Repair application fee</u> | \$ 200 |
| 12 | (6) <u>Alteration application fee</u> | \$ 500 |
| 13 | <u>Examination and License Fees:</u> | |
| 14 | (1) <u>Boiler Inspectors certificate of competency</u> | |
| 15 | <u>examination fee</u> | \$ 300 |
| 16 | (2) <u>Review of shops and facilities for the issuance</u> | |
| 17 | <u>of National Board or ASME certificates of</u> | |
| 18 | <u>authorization</u> | \$ 1,500 |
| 19 | (3) <u>Review of shops and facilities for the issuance</u> | |
| 20 | <u>of Non-Boiler External Piping (NBEP) certificate of</u> | |
| 21 | <u>authorization</u> | \$ 750 |
| 22 | (4) <u>Boiler inspector's Hawaii Commission,</u> | |

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| 1 | <u>Initial and renewal</u> | <u>\$ 75</u> |
| 2 | <u>Internal and External Inspection Fees:</u> | |
| 3 | (1) <u>Power boilers:</u> | |
| 4 | <u>Without manholes</u> | <u>\$ 150</u> |
| 5 | <u>With manholes but not over 3,000 square</u> | |
| 6 | <u>feet of heating surface</u> | <u>\$ 180</u> |
| 7 | <u>With manholes between 3,000 and 10,000</u> | |
| 8 | <u>square feet of heating surface</u> | <u>\$ 260</u> |
| 9 | <u>With manholes and over 10,000 square</u> | |
| 10 | <u>feet of heating surface</u> | <u>\$ 450</u> |
| 11 | (2) <u>Heating boilers:</u> | |
| 12 | <u>Hot water supply</u> | <u>\$ 130</u> |
| 13 | <u>Steam and water heating without manholes</u> | <u>\$ 110</u> |
| 14 | <u>Steam, over 100 but not over 500 square</u> | |
| 15 | <u>feet of heating surface</u> | <u>\$ 140</u> |
| 16 | <u>All with manholes and steam over 500 square</u> | |
| 17 | <u>feet of heating surface</u> | <u>\$ 170</u> |
| 18 | (3) <u>Pressure vessels:</u> | |
| 19 | <u>Routine inspections</u> | <u>\$ 65</u> |
| 20 | <u>Internal for air or water service</u> | <u>\$ 130</u> |
| 21 | <u>Ultrasonic testing</u> | <u>\$ 130</u> |
| 22 | (4) <u>For all other types of inspections</u> | |

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|---|---|---------------|
| 1 | <u>an hourly fee is assessed</u> | <u>\$ 100</u> |
| 2 | (5) <u>Hydrostatic test</u> | <u>\$ 300</u> |
| 3 | (6) <u>School "specials" (non-code objects)</u> | <u>\$ 10</u> |

4 Reports and Permit Processing Fees:

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| 5 | (1) <u>Report and permit</u> | <u>\$ 25</u> |
| 6 | (2) <u>Permit reprint</u> | <u>\$ 20</u> |
| 7 | (3) <u>Signed permit card (old issue)</u> | <u>\$ 10</u> |
| 8 | (4) <u>Owner portal</u> | <u>\$ 5</u> |

9 SCHEDULE B: Elevator and Kindred Equipment Fees

10 Installation and Alteration Permits:

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| 11 | (1) <u>Alteration involving only the replacement of up</u> | |
| 12 | <u>to two (2) parts such as a valve, a jack, or</u> | |
| 13 | <u>a cylinder</u> | <u>\$ 150</u> |
| 14 | (2) <u>Alteration involving only cosmetic changes</u> | |
| 15 | <u>such as car interior modernizations</u> | <u>\$ 300</u> |
| 16 | (3) <u>Alterations of more than two parts, or components,</u> | |
| 17 | <u>and/or subsystems:</u> | |
| 18 | <u>1 - 3 floors</u> | <u>\$ 600</u> |
| 19 | <u>4 - 9 floors</u> | <u>\$ 650</u> |
| 20 | <u>10 - 19 floors</u> | <u>\$ 700</u> |
| 21 | <u>20 - 29 floors</u> | <u>\$ 750</u> |

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| 1 | <u>30 - 39 floors</u> | <u>\$ 800</u> |
| 2 | <u>40 or more floors</u> | <u>\$ 900</u> |
| 3 | (4) <u>Where alterations to four or more units at the same</u> | |
| 4 | <u>location are identical, the fee for each additional</u> | |
| 5 | <u>alteration permit shall be reduced by 50 percent. The</u> | |
| 6 | <u>applications must be submitted at the same time to</u> | |
| 7 | <u>qualify for the fee reduction.</u> | |
| 8 | (5) <u>Installation of new elevators (including material</u> | |
| 9 | <u>lifts) and kindred equipment:</u> | |
| 10 | <u>Dumbwaiter</u> | <u>\$ 500</u> |
| 11 | <u>Escalator, moving walk, or moving ramp</u> | <u>\$ 500</u> |
| 12 | <u>Hand elevator, manlift, or stage lift</u> | <u>\$ 500</u> |
| 13 | <u>Wheelchair or stairway lifts</u> | <u>\$ 500</u> |
| 14 | <u>Elevator, 1 - 3 floors</u> | <u>\$ 600</u> |
| 15 | <u>Elevator, 4 - 9 floors</u> | <u>\$ 650</u> |
| 16 | <u>Elevator, 10 - 19 floors</u> | <u>\$ 700</u> |
| 17 | <u>Elevator, 20 - 29 floors</u> | <u>\$ 750</u> |
| 18 | <u>Elevator, 30 - 39 floors</u> | <u>\$ 800</u> |
| 19 | <u>Elevator, 40 or more floors</u> | <u>\$ 900</u> |
| 20 | <u>Aerial tramways</u> | <u>\$ 900</u> |
| 21 | <u>Personnel hoists</u> | <u>\$ 250</u> |
| 22 | <u>Inclined tunnel lifts</u> | <u>\$ 500</u> |

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- Inspection Fees:

- (1) Permit renewal inspection fees:

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| 1 | <u>Wheelchair or stairway lifts</u> | <u>\$ 150</u> |
| 2 | <u>Hydraulic elevator - holed</u> | <u>\$ 150</u> |
| 3 | <u>Hydraulic elevator - holeless</u> | <u>\$ 200</u> |
| 4 | <u>Traction elevator:</u> | |
| 5 | <u>1 - 3 floor rise</u> | <u>\$ 225</u> |
| 6 | <u>4 - 9 floor rise</u> | <u>\$ 250</u> |
| 7 | <u>10 - 19 floor rise</u> | <u>\$ 275</u> |
| 8 | <u>20 - 29 floor rise</u> | <u>\$ 325</u> |
| 9 | <u>30 - 39 floor rise</u> | <u>\$ 400</u> |
| 10 | <u>40 or more floor rise</u> | <u>\$ 475</u> |
| 11 | <u>Aerial tramways</u> | <u>\$ 400</u> |
| 12 | <u>Personnel hoists</u> | <u>\$ 175</u> |
| 13 | <u>Inclined tunnel lifts</u> | <u>\$ 220</u> |
| 14 | (2) <u>Safety, Load or Internal Test (Witness Fees):</u> | |
| 15 | <u>3-Year safety test</u> | <u>\$ 200</u> |
| 16 | <u>5-Year safety test</u> | <u>\$ 300</u> |
| 17 | <u>Escalator internal</u> | <u>\$ 100</u> |
| 18 | (3) <u>Permit renewal and witness fees are per inspection,</u> | |
| 19 | <u>which may constitute one day or part of the day. If</u> | |
| 20 | <u>the inspector has to return on another day or at</u> | |
| 21 | <u>another time within the same day, additional fees</u> | |
| 22 | <u>shall be assessed at the rate of \$300 per day for up</u> | |

1 to two hours and \$600 per day for more than two hours.

2 Fees for overtime hours shall be \$600 per day for up

3 to two hours and \$1,200 per day for more than two

4 hours."

5 SECTION 3. The director may establish ten (10) additional
6 positions, subject to chapters 76 and 89 of the Hawaii Revised
7 Statutes, to carry out the purposes of chapter 397. The
8 positions may include a branch manager, up to the equivalent of
9 six full-time elevator inspectors, one boiler inspector, and two
10 office assistants.

11 SECTION 4. To enable the hiring and retention of qualified
12 inspectors and supervisory personnel, the director shall have
13 the authority to set compensation and incentives and other
14 working conditions that may differ from that administered by the
15 department of human resources development. The appropriate
16 collective bargaining unit shall be consulted prior to
17 implementing any changes to working conditions.

18 SECTION 5. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$1,000,000 or so much
20 thereof as may be necessary, for fiscal year 2012-2013, as start
21 up funds to be deposited to the credit of the boiler and
22 elevator special fund.

1 SECTION 6. There is appropriated out of the boiler and
2 elevator special fund the sum of \$2,900,000 or so much thereof
3 as may be necessary for fiscal year 2012-2013 to be used for the
4 purposes of this Act.

5 SECTION 7. The sum appropriated shall be expended by the
6 department of labor and industrial relations for the purposes of
7 this Act.

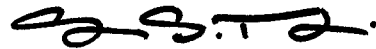
8 SECTION 8. New statutory material is underscored.
9 Statutory material to be repealed is bracketed and stricken.

10 SECTION 9. This Act shall take effect on July 1, 2012.

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INTRODUCED BY:



13

BY REQUEST

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S.B. NO. 2837

Report Title:

Boiler and Elevator Safety Law; Special Fund

Description:

Establishes the Boiler and Elevator Special Fund for the purpose of collecting and depositing the fees charged for permits, inspections, and certificates of boilers, pressure systems elevators and kindred equipment, and amusement rides to provide sufficient operating funds for the Boiler and Elevator Inspection Branch.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO THE BOILER AND ELEVATOR SAFETY LAW.

PURPOSE: To establish the boiler and elevator special fund to provide a mechanism for self-sufficiency that will enable the program to hire and retain sufficient qualified personnel and be able to carry out the permitting and inspection of boilers, pressure systems, amusement rides, and elevators and kindred equipment for public safety purposes.

MEANS: Add a new section to chapter 397, Hawaii Revised Statutes, and amend section 397-5, Hawaii Revised Statutes.

JUSTIFICATION: The Boiler and Elevator Inspection Branch of the Hawaii Occupational Safety and Health Division has the duty to periodically inspect and issue permits and certificates for boilers, pressure systems, amusement rides, and elevators and kindred equipment. Currently, approximately 75 percent of the elevators in this state and 50 percent of the boilers are operating without a current operating permit because their inspections are overdue or their permits are delayed. Moreover, there is a backlog in performing critical load tests on elevators, internal inspections of escalators, and inspections of amusement rides.

The department believes that by increasing its funding it will be able to increase its staff of inspectors, thereby relieving this potentially dangerous situation. Failure to address this staffing situation will ultimately affect the State's commerce and development because of the department's inability to timely review new installations and alteration plans of elevators and boilers, as well as perform timely periodic inspections of this equipment.

Lastly, failure to perform these necessary inspections could potentially lead to elevator accidents or boiler explosions resulting in property damage or personal injury or death.

In the past the Legislature cut vacant positions in the department's inspection staff. These vacant positions arose due to the disparity between what the State paid its inspection staff and what the private sector paid for similar positions. The persistent pay differential and consequential cutting of positions resulted in the gradual reduction of the inspection staff such that today there are insufficient inspectors and support staff to perform the required number of inspections and issue timely permits needed by building owners and managers. The bill also includes language to authorize ten additional positions and authorizes the director to set compensation and flexible working conditions, to minimize the pay disparity and be able to attract and retain qualified inspectors.

The department proposes to create a Boiler and Elevator Special Fund that will be funded by fees collected from the inspection, permitting and other services performed on boilers, pressure systems, elevators and kindred equipment, and amusement rides. The moneys deposited into the special fund will be used to pay for increased inspectors and staffing. The special fund will ensure the continuous and appropriate funding of inspectors and staff, thereby insulating the inspection program from the effects of periodic automatic budget and position cuts.

Impact on the public: There will be a positive impact on the public in four ways: (1) public safety will be improved because elevators and kindred equipment, and boilers and pressure vessels will be inspected in accordance with acceptable national standards, (2) developers will be able to obtain building permits, occupancy permits, and permits to operate on a timely basis and

thus be able to recover costs and move to the next project, (3) contractors will be able to better plan for ongoing and future construction projects and put unemployed workers back to work, and (4) building and business operating costs will go down as timely permits to operate will be issued thereby assuring building insurers that the equipment are safe to operate.

Impact on the department and other agencies:
Public buildings will receive permits to operate on a timely basis, assuring the public that the equipment currently meets acceptable national standards, and public projects will be able to proceed on a timely basis.

GENERAL FUND: \$1,000,000 in appropriations is being deposited into the boiler and elevator special fund for start-up costs, until the program revenue sustains the program. The department will pay back the general fund loan over a period of five years.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: LBR-143EB.

OTHER AFFECTED
AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: July 1, 2012.