

Honolulu, Hawaii

Feb 7, 2012

RE: H.B. No. 2575

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Economic Revitalization & Business, to which was referred H.B. No. 2575 entitled:

"A BILL FOR AN ACT RELATING TO THE BOILER AND ELEVATOR SAFETY LAW, "

beg leave to report as follows:

The purpose of this measure is to improve public safety by:

- (1) Establishing fee schedules 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 of the Department of Labor and Industrial Relations;
- (2) Establishing the Boiler and Elevator Special Fund for the deposit of the fees charged and collected under paragraph (1) above to provide operating funds for the enforcement of the State's boiler and elevator safety laws;
- (3) Providing for the establishment of ten additional positions within the Boiler and Elevator Inspection Branch;



- (4) Authorizing the Director of Labor and Industrial Relations to set compensation and other incentives and other working conditions for specified staff;
- (5) Appropriating \$1,000,000 of general revenues to be deposited into the Boiler and Elevator Special Fund to continue operations of the Boiler and Elevator Inspection Branch until additional staff are hired and trained; and
- (6) Appropriating \$2,900,000 out of the Boiler and Elevator Special Fund which is necessary to fully staff the Boiler and Elevator Inspection Branch and maintain timely inspections and safety tests.

The Department of Labor and Industrial Relations, Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, National Elevator Industry, Inc., and a concerned individual testified in support of this measure. The Department of Human Resources Development testified in support of the intent of this measure. The General Contractors Association and Dynamic Elevator Systems, Inc., provided comments.

The Boiler and Elevator Inspection Branch has the responsibility and duty to periodically inspect, and issue permits and certificates for, boilers, pressure systems, amusement rides, and elevators and kindred equipment. Unfortunately, due to the recent economic downturn that resulted in budget and staffing cuts, a backlog of inspections has occurred. According to the Department of Labor and Industrial Relations, approximately 75 percent of elevators and 50 percent of boilers in Hawaii are operating without a current operating permit because of this backlog. Your Committees find that the resulting backlog has also caused delays in issuing elevator permits for new construction projects which can result in project delays and hinder Hawaii's economic recovery.

Your Committees find that establishing fee schedules and a Boiler and Elevator Special Fund provides a mechanism for the self-sufficiency of the Boiler and Elevator Inspection Branch and is a long term approach to reducing the inspections backlog and will allow for more timely inspections in the future.



Your Committees have amended this measure by:

- (1) Removing amusement rides from the fee schedule applicable to elevators and kindred equipment and making a separate fee schedule for amusement rides;
- (2) Specifying that the ten positions created are permanent positions;
- (3) Deleting the provision authorizing the Director to set compensation and other incentives and other working conditions for specified staff members;
- (4) Requiring that the \$1,000,000 deposited into the Boiler and Elevator Special Fund to continue operations of the Boiler and Elevator Inspection Branch be repaid into the general fund within five years;
- (5) Requiring the Department of Labor and Industrial Relations to annually report to the Legislature on the status of the backlog of inspections;
- (6) Changing the effective date to March 3, 2033, to continue further discussions; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

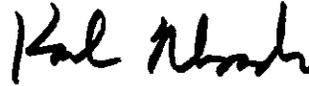
As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2575, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 1, and be referred to the Committee on Housing.



Respectfully submitted on
behalf of the members of the
Committees on Labor & Public
Employment and Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair

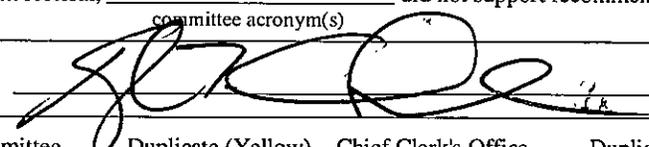


KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 2575	Committee Referral: LAB/ERB, HCG, FIN	Date: 1-31-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
8. OKAMURA, Tom				/
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.	.			/
12. FONTAINE, George R.	/			
13. JOHANSON, Aaron Ling	/			
TOTAL (13)	11	-	-	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

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ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. EVANS, Cindy	✓			
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.	✓			
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. MARUMOTO, Barbara C.	✓			
11. PINE, Kymberly Marcos				✓
TOTAL (11)	10	—	—	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Isaac W. Choy</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				