

# HOUSE BILL 407

E4

(81r0088)

## ENROLLED BILL

—*Economic Matters / Education, Health, and Environmental Affairs*—

Introduced by **Chair, Economic Matters Committee (By Request - Departmental - Labor, Licensing and Regulation)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Commissioner of Labor and Industry - Boiler and Pressure Vessel Safety -**  
3 **Authorized Inspection Agencies**

4 FOR the purpose of authorizing insurers, owners who employ special inspectors, and  
5 the Commissioner of Labor and Industry to contract with authorized inspection  
6 agencies for certain boiler and pressure vessel inspections; authorizing  
7 inspection agencies to request special inspector commissions; requiring  
8 ~~authorized inspection agencies to submit a certain surety bond~~ the  
9 Commissioner to establish certain insurance requirements by regulation;  
10 exempting certain inspections by certain persons from certain fees; requiring  
11 that authorized inspection agencies file certain reports with the Chief Boiler  
12 Inspector and notify the Commissioner of certain hazardous conditions;  
13 requiring certain persons to maintain inspection records in a certain manner;

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber / conference committee amendments.



1 defining a certain term; making a technical correction; and generally relating to  
2 the inspection of boilers and pressure vessels.

3 BY repealing and reenacting, with amendments,  
4 Article – Public Safety  
5 Section 12–901, 12–907, 12–909(c) and (h), and 12–910  
6 Annotated Code of Maryland  
7 (2003 Volume and 2007 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article – Public Safety**

11 12–901.

12 (a) In this subtitle the following words have the meanings indicated.

13 (B) **“AUTHORIZED INSPECTION AGENCY” MEANS AN ENTITY THAT:**

14 (1) **IS ACCREDITED IN ACCORDANCE WITH THE NATIONAL BOARD**  
15 **OF BOILER AND PRESSURE VESSEL INSPECTORS NB–369; OR**

16 (2) **MEETS THE QUALIFICATION AND DEFINITION OF THE**  
17 **NATIONAL BOARD OF BOILER AND PRESSURE VESSEL INSPECTORS NB–360.**

18 [(b)] (C) “Board” means the Board of Boiler Rules.

19 [(c)] (D) “Boiler” means:

20 (1) a closed vessel in which water is heated, steam is generated, steam  
21 is superheated, or a combination of these functions is accomplished, under pressure or  
22 vacuum for use externally to the vessel by the direct application of heat from the  
23 combustion of fuels or from electricity or nuclear energy; or

24 (2) a fired unit for heating or vaporizing liquids other than water if the  
25 unit is separate from a processing system and is complete within itself.

26 [(d)] (E) “Certificate” means a certificate issued by the Chief Boiler  
27 Inspector to operate a boiler or pressure vessel.

28 [(e)] (F) “Certificate inspection” means an inspection, the report of which is  
29 used by the Chief Boiler Inspector to determine whether to issue a certificate.

30 [(f)] (G) “Commissioner” means the Commissioner of Labor and Industry.

1            [(g)] (H)    “Heating boiler” means:

2                    (1)    a steam boiler that operates at pressures not exceeding 15 psig; or

3                    (2)    a hot water boiler that operates at pressures not exceeding 160  
4 psig or temperatures not exceeding 250 degrees Fahrenheit.

5            [(h)] (I)    “High pressure, high temperature water boiler” means a water  
6 boiler that operates at pressures exceeding 160 psig or temperatures exceeding 250  
7 degrees Fahrenheit.

8            [(i)] (J)    “Model steam boiler” means a boiler that is:

9                    (1)    individually fabricated for noncommercial use;

10                   (2)    used primarily for demonstration, exhibition, or educational  
11 purposes; and

12                   (3)    not for profit.

13            [(j)] (K)    “Power boiler” means a boiler in which steam or other vapor is  
14 generated at a pressure of more than 15 psig.

15            [(k)] (L)    (1)    “Pressure vessel” means a vessel in which the pressure is  
16 obtained:

17                    (i)    from an external source; or

18                    (ii)   by the application of heat from:

19                            1.    an indirect source; or

20                            2.    a direct source other than a boiler.

21                    (2)    “Pressure vessel” does not include a pipe, piping component, or  
22 structure whose primary function is to transport fluids.

23            [(l)] (M)    “Secretary” means the Secretary of Labor, Licensing, and  
24 Regulation.

25    12–907.

26            (a)    (1)    The following entities may request the Commissioner to issue  
27 special inspector commissions:

1 (i) an authorized insurer that insures boilers and pressure  
2 vessels in the State; [or]

3 (ii) a person that operates pressure vessels in the State that  
4 regularly are inspected and rated by an established inspection service under the  
5 supervision of engineers whose qualifications are satisfactory to the Board and in  
6 accordance with the regulations adopted under this subtitle; **OR**

7 **(III) AN AUTHORIZED INSPECTION AGENCY.**

8 (2) On request of an entity described in paragraph (1) of this  
9 subsection, the Commissioner may issue a special inspector commission to an  
10 individual employed by the entity to serve as a special inspector if the entity and the  
11 individual satisfy the requirements of this section.

12 (b) (1) An applicant for a special inspector commission shall be employed  
13 by the entity that requests the special inspector commission.

14 (2) An applicant for a special inspector commission for a person that  
15 operates pressure vessels shall:

16 (i) be employed full time by the person; and

17 (ii) be responsible for making inspections of pressure vessels  
18 that are used or to be used by the person and are not for resale.

19 (3) An applicant for a special inspector commission shall:

20 (i) pass the examination given by the Board under subsection  
21 [(d)] (E) of this section;

22 (ii) hold a commission or certificate of competency as an  
23 inspector of boilers and pressure vessels in another state that has an examination  
24 substantially equivalent to the examination given by the Board; or

25 (iii) 1. hold a commission as an inspector of boilers and  
26 pressure vessels issued by the National Board of Boiler and Pressure Vessel  
27 Inspectors; and

28 2. pass the part of the examination given by the Board  
29 that differs from the national examination.

30 (c) (1) The employer of an applicant for a special inspector commission  
31 shall:

1 (i) submit to the Commissioner an application on the form that  
2 the Commissioner requires; and

3 (ii) pay to the Commissioner a fee of \$50.

4 (2) The application shall include:

5 (i) the name and qualifications of the individual who will serve  
6 as a special inspector; and

7 (ii) evidence that the individual satisfies the requirements of  
8 subsection (b) of this section.

9 (D) ~~(1) AN AUTHORIZED INSPECTION AGENCY SHALL SUBMIT A~~  
10 ~~SURETY BOND TO THE COMMISSIONER.~~

11 ~~(2) THE SURETY BOND SHALL:~~

12 ~~(I) RUN TO THE COMMISSIONER FOR THE BENEFIT OF ANY~~  
13 ~~PERSON WHO HAS BEEN DAMAGED BY A VIOLATION OF ANY PROVISION OF THIS~~  
14 ~~SUBTITLE COMMITTED BY THE AUTHORIZED INSPECTION AGENCY;~~

15 ~~(II) BE IN THE AMOUNT OF \$5,000;~~

16 ~~(III) BE SIGNED BY THE APPLICANT AS PRINCIPAL AND BY A~~  
17 ~~SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE AS A SURETY;~~

18 ~~(IV) BE CONDITIONED THAT THE AUTHORIZED INSPECTION~~  
19 ~~SERVICE WILL COMPLY WITH THIS SUBTITLE; AND~~

20 ~~(V) BE APPROVED BY THE COMMISSIONER BY REGULATION,~~  
21 ~~THE COMMISSIONER SHALL ESTABLISH INSURANCE REQUIREMENTS, BASED ON~~  
22 ~~NATIONALLY ACCEPTED STANDARDS, THAT MUST BE SATISFIED BY AN~~  
23 ~~AUTHORIZED INSPECTION AGENCY BEFORE A COMMISSION MAY BE ISSUED TO~~  
24 ~~AN INSPECTOR EMPLOYED BY THE AUTHORIZED INSPECTION AGENCY.~~

25 [(d)] (E) (1) The Board shall give examinations to applicants for special  
26 inspector commissions as provided in this subsection.

27 (2) The examination:

28 (i) shall be in writing;

29 (ii) shall be limited to questions the answers to which will help  
30 to determine the fitness and competency of the individual for the intended service; and

1 (iii) may consist of questions prepared by the National Board of  
2 Boiler and Pressure Vessel Inspectors.

3 (3) (i) An applicant who fails the examination may appeal to the  
4 Board for a reexamination.

5 (ii) The reexamination shall be given by the Board within 90  
6 days.

7 (4) The record of an applicant's examination shall be available to the  
8 applicant and the applicant's employer.

9 (5) The fee for an examination or reexamination is \$50.

10 [(e)] (F) (1) The Commissioner shall issue a special inspector  
11 commission to each applicant who meets the requirements of this subtitle.

12 (2) The Commissioner may issue a special inspector commission to a  
13 representative of an employee organization covered by a collective bargaining  
14 agreement.

15 [(f)] (G) An inspection by a special inspector of a boiler or pressure vessel  
16 insured or pressure vessel operated by the employer of the special inspector, **OR AN**  
17 **INSPECTION BY A SPECIAL INSPECTOR EMPLOYED BY AN AUTHORIZED**  
18 **INSPECTION AGENCY**, exempts the owner or user of the boiler or pressure vessel from  
19 the payment to the State of inspection fees required by this subtitle for the boiler or  
20 pressure vessel.

21 [(g)] (H) A special inspector may not receive a salary from or have any  
22 expenses paid by the State.

23 [(h)] (I) (1) A special inspector commission expires 2 years after its  
24 effective date.

25 (2) Before a special inspector commission expires, the employer of the  
26 special inspector may renew the commission if the employer:

27 (i) pays to the Commissioner a renewal fee of \$50; and

28 (ii) submits evidence to the Commissioner that the special  
29 inspector:

30 1. meets the standards imposed by this subtitle;

31 2. remains in the employment of the employer; and

1                   3.     has been trained on current boiler and pressure vessel  
2 technology in accordance with regulations adopted under this subtitle.

3           [(i)] (J)     Within 30 days after the termination of the employment of a  
4 special inspector, the employer shall return the special inspector commission to the  
5 Chief Boiler Inspector.

6           [(j)] (K)     (1)   If an identification card of a special inspector is lost or  
7 destroyed, the Commissioner shall issue a new identification card in its place without  
8 another examination.

9                   (2)   The fee for replacement of an identification card is \$50.

10           [(k)] (L)    (1)   After investigation and recommendation by the Board, the  
11 Commissioner may suspend the special inspector commission for:

12                   (i)   incompetence of the special inspector;

13                   (ii)  untrustworthiness of the special inspector;

14                   (iii) willful falsification of any matter or statement contained in  
15 the application for the special inspector commission; or

16                   (iv)  willful falsification of any matter or statement contained in  
17 a report of an inspection made by the special inspector.

18                   (2)   Within 10 days after suspending a special inspector commission,  
19 the Commissioner shall give written notice of the suspension to the special inspector  
20 and the employer of the special inspector.

21                   (3)   (i)   An individual whose special inspector commission has been  
22 suspended may appeal to the Board.

23                           (ii)  At the hearing on the appeal, the individual may be present  
24 and represented by counsel.

25                   (4)   An individual whose special inspector commission has been  
26 suspended may apply for reinstatement of the commission after 90 days following the  
27 date of the suspension.

28           [(1)] (M)    (1)   If the Board has reason to believe that a special inspector is  
29 no longer qualified to hold a commission, the Board shall hold a hearing.

30                   (2)   The Board shall give at least 10 days' written notice of the hearing  
31 to the special inspector and to the employer of the special inspector.

1 (3) At the hearing, the special inspector and the employer shall have  
2 an opportunity to be heard.

3 (4) If after the hearing the Board finds that the special inspector is no  
4 longer qualified to hold a commission:

5 (i) the Board shall recommend to the Commissioner that the  
6 special inspector commission be revoked; and

7 (ii) the Commissioner shall revoke the special inspector  
8 commission immediately.

9 12-909.

10 (c) (1) Except as provided in paragraphs (2), [and] (3), **AND (4)** of this  
11 subsection, the Chief Boiler Inspector or a deputy boiler inspector shall make the  
12 certificate inspections required under subsection (d) of this section.

13 (2) If a boiler or pressure vessel is insured by an insurer, a special  
14 inspector employed by the insurer, **OR BY AN AUTHORIZED INSPECTION AGENCY**  
15 **UNDER CONTRACT WITH THE INSURER**, shall make the inspections required under  
16 subsection (d) of this section.

17 (3) If a pressure vessel is owned or operated by a person who employs  
18 a special inspector who holds a commission, the special inspector, **OR A SPECIAL**  
19 **INSPECTOR EMPLOYED BY AN AUTHORIZED INSPECTION AGENCY UNDER**  
20 **CONTRACT WITH THE OWNER OR OPERATOR**, shall make the inspections required  
21 under subsection (d) of this section.

22 (4) **IF A BOILER OR PRESSURE VESSEL IS NOT INSURED BY AN**  
23 **INSURER, THE COMMISSIONER MAY CONTRACT WITH AN INSURER OR AN**  
24 **AUTHORIZED INSPECTION AGENCY TO HAVE A SPECIAL INSPECTOR WHO IS**  
25 **EMPLOYED BY THAT INSURER OR AUTHORIZED INSPECTION AGENCY MAKE THE**  
26 **INSPECTIONS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.**

27 (h) (1) The Board shall provide for public safety and therefore has  
28 jurisdiction over the interpretation and application of the inspection requirements  
29 provided in the regulations adopted under this subtitle.

30 (2) Inspection requirements of operating equipment shall:

31 (i) be in accordance with generally accepted practice; and

32 (ii) be compatible with the actual service conditions, including:



- 1                                   1.    previous experience, based on records of performance  
2 and maintenance;  
3                                   2.    location, with respect to personnel hazard;  
4                                   3.    provision for related safe operation OF controls; and  
5                                   4.    interrelation with other operations outside the scope  
6 of this subtitle.

7 12–910.

8           (a) (1) Each authorized insurer, **OR AUTHORIZED INSPECTION**  
9 **AGENCY**, that employs a special inspector shall file with the Chief Boiler Inspector a  
10 report on:

11                               (i) each certificate inspection; and

12                               (ii) any other inspection for which a report is required to be filed  
13 under regulations adopted under this subtitle.

14           (2) The report filed under paragraph (1) of this subsection shall:

15                               (i) be filed within 30 days after an inspection; and

16                               (ii) be in the form required by regulations adopted under this  
17 subtitle.

18           (3) For each report not filed electronically, the authorized insurer  
19 shall pay a \$5 report filing fee.

20           (4) Within 24 hours after an inspection, each authorized insurer, **OR**  
21 **AUTHORIZED INSPECTION AGENCY**, that employs a special inspector shall notify the  
22 Chief Boiler Inspector if an inspection reveals a hazardous condition as described in §  
23 12–915(a)(2) of this subtitle that affects the safety of a boiler or pressure vessel.

24           (b) (1) Each person that operates pressure vessels covered by an  
25 owner–user inspection service that meets the requirements of this subtitle shall  
26 maintain in its files an inspection record that lists, by **A MARYLAND** number and by  
27 an abbreviated identification description:

28                               (i) each pressure vessel covered by this subtitle;

29                               (ii) the date of the last inspection of the pressure vessel; and

1 (iii) the approximate date for the next inspection of the pressure  
2 vessel, calculated by applying the appropriate rules for inspection to all data available  
3 when the inspection record is compiled.

4 (2) The inspection record shall be readily available for examination by  
5 the Chief Boiler Inspector or authorized representative during business hours.

6 (3) (i) In addition, the person shall file annually with the Chief  
7 Boiler Inspector a statement that:

8 1. is signed by the professional engineer who supervised  
9 the inspections made during the period covered;

10 2. states the number of pressure vessels covered by this  
11 subtitle that were inspected during the year; and

12 3. certifies that each inspection was conducted in  
13 accordance with the inspection requirements of this subtitle.

14 (ii) The statement shall be accompanied by a filing fee of:

15 1. \$5 per pressure vessel, for a statement that covers not  
16 more than 25 pressure vessels;

17 2. \$125, for a statement that covers more than 25 but  
18 less than 101 pressure vessels;

19 3. \$250, for a statement that covers more than 100 but  
20 less than 501 pressure vessels; or

21 4. \$325, for a statement that covers more than 500  
22 pressure vessels.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2008.