

# HOUSE BILL 407

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 28, 2008

Assigned to: Economic Matters

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## A BILL ENTITLED

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; exempting  
9 certain inspections by certain persons from certain fees; requiring that  
10 authorized inspection agencies file certain reports with the Chief Boiler  
11 Inspector and notify the Commissioner of certain hazardous conditions;  
12 requiring certain persons to maintain inspection records in a certain manner;  
13 defining a certain term; and generally relating to the inspection of boilers and  
14 pressure vessels.

15 BY repealing and reenacting, with amendments,  
16 Article – Public Safety  
17 Section 12–901, 12–907, 12–909(c), and 12–910  
18 Annotated Code of Maryland  
19 (2003 Volume and 2007 Supplement)

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

22 **Article – Public Safety**

23 12–901.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2                   **(1) IS ACCREDITED IN ACCORDANCE WITH THE NATIONAL BOARD**  
3 **OF BOILER AND PRESSURE VESSEL INSPECTORS NB-369; OR**

4                   **(2) MEETS THE QUALIFICATION AND DEFINITION OF THE**  
5 **NATIONAL BOARD OF BOILER AND PRESSURE VESSEL INSPECTORS NB-360.**

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

7           **[(c)] (D) “Boiler” means:**

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

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

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

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

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

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

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

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

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

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

27                   (1) individually fabricated for noncommercial use;

28                   (2) used primarily for demonstration, exhibition, or educational  
29 purposes; and

1 (3) not for profit.

2 [(j)] (K) "Power boiler" means a boiler in which steam or other vapor is  
3 generated at a pressure of more than 15 psig.

4 [(k)] (L) (1) "Pressure vessel" means a vessel in which the pressure is  
5 obtained:

6 (i) from an external source; or

7 (ii) by the application of heat from:

8 1. an indirect source; or

9 2. a direct source other than a boiler.

10 (2) "Pressure vessel" does not include a pipe, piping component, or  
11 structure whose primary function is to transport fluids.

12 [(1)] (M) "Secretary" means the Secretary of Labor, Licensing, and  
13 Regulation.

14 12-907.

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

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

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

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

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

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



1                   **(I) RUN TO THE COMMISSIONER FOR THE BENEFIT OF ANY**  
2 **PERSON WHO HAS BEEN DAMAGED BY A VIOLATION OF ANY PROVISION OF THIS**  
3 **SUBTITLE COMMITTED BY THE AUTHORIZED INSPECTION AGENCY;**

4                   **(II) BE IN THE AMOUNT OF \$5,000;**

5                   **(III) BE SIGNED BY THE APPLICANT AS PRINCIPAL AND BY A**  
6 **SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE AS A SURETY;**

7                   **(IV) BE CONDITIONED THAT THE AUTHORIZED INSPECTION**  
8 **SERVICE WILL COMPLY WITH THIS SUBTITLE; AND**

9                   **(V) BE APPROVED BY THE COMMISSIONER.**

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

12                   (2) The examination:

13                   (i) shall be in writing;

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

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

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

20                   (ii) The reexamination shall be given by the Board within 90  
21 days.

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

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

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

27                   (2) The Commissioner may issue a special inspector commission to a  
28 representative of an employee organization covered by a collective bargaining  
29 agreement.

1            [(f)] (G)     An inspection by a special inspector of a boiler or pressure vessel  
2 insured or pressure vessel operated by the employer of the special inspector, **OR AN**  
3 **INSPECTION BY A SPECIAL INSPECTOR EMPLOYED BY AN AUTHORIZED**  
4 **INSPECTION AGENCY**, exempts the owner or user of the boiler or pressure vessel from  
5 the payment to the State of inspection fees required by this subtitle for the boiler or  
6 pressure vessel.

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

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

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

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

14                            (ii)   submits evidence to the Commissioner that the special  
15 inspector:

16                                    1.    meets the standards imposed by this subtitle;

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

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

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

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

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

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

29                            (i)    incompetence of the special inspector;

30                            (ii)   untrustworthiness of the special inspector;

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

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

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

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

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

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

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

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

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

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

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

23 (ii) the Commissioner shall revoke the special inspector  
24 commission immediately.

25 12-909.

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

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

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

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

11 12-910.

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

15                   (i) each certificate inspection; and

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

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

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

20                   (ii) be in the form required by regulations adopted under this  
21 subtitle.

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

24           (4) Within 24 hours after an inspection, each authorized insurer, **OR**  
25 **AUTHORIZED INSPECTION AGENCY**, that employs a special inspector shall notify the  
26 Chief Boiler Inspector if an inspection reveals a hazardous condition as described in §  
27 12-915(a)(2) of this subtitle that affects the safety of a boiler or pressure vessel.

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

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

33                   (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.