

# 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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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 20, 2008

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## 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;  
14 defining a certain term; making a technical correction; and generally relating to  
15 the inspection of boilers and pressure vessels.

16 BY repealing and reenacting, with amendments,  
17 Article – Public Safety  
18 Section 12–901, 12–907, 12–909(c) and (h), and 12–910  
19 Annotated Code of Maryland  
20 (2003 Volume and 2007 Supplement)

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

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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.



1 **Article – Public Safety**

2 12–901.

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

4 (B) **“AUTHORIZED INSPECTION AGENCY” MEANS AN ENTITY THAT:**5 (1) **IS ACCREDITED IN ACCORDANCE WITH THE NATIONAL BOARD**  
6 **OF BOILER AND PRESSURE VESSEL INSPECTORS NB–369; OR**7 (2) **MEETS THE QUALIFICATION AND DEFINITION OF THE**  
8 **NATIONAL BOARD OF BOILER AND PRESSURE VESSEL INSPECTORS NB–360.**

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

10 [(c)] (D) “Boiler” means:

11 (1) a closed vessel in which water is heated, steam is generated, steam  
12 is superheated, or a combination of these functions is accomplished, under pressure or  
13 vacuum for use externally to the vessel by the direct application of heat from the  
14 combustion of fuels or from electricity or nuclear energy; or15 (2) a fired unit for heating or vaporizing liquids other than water if the  
16 unit is separate from a processing system and is complete within itself.17 [(d)] (E) “Certificate” means a certificate issued by the Chief Boiler  
18 Inspector to operate a boiler or pressure vessel.19 [(e)] (F) “Certificate inspection” means an inspection, the report of which is  
20 used by the Chief Boiler Inspector to determine whether to issue a certificate.

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

22 [(g)] (H) “Heating boiler” means:

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

24 (2) a hot water boiler that operates at pressures not exceeding 160  
25 psig or temperatures not exceeding 250 degrees Fahrenheit.26 [(h)] (I) “High pressure, high temperature water boiler” means a water  
27 boiler that operates at pressures exceeding 160 psig or temperatures exceeding 250  
28 degrees Fahrenheit.

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

- 1           (1) individually fabricated for noncommercial use;
- 2           (2) used primarily for demonstration, exhibition, or educational  
3 purposes; and
- 4           (3) not for profit.

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

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

- 9                           (i) from an external source; or
- 10                          (ii) by the application of heat from:
- 11                                 1. an indirect source; or
- 12                                 2. a direct source other than a boiler.

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

15           [(1)] (M) “Secretary” means the Secretary of Labor, Licensing, and  
16 Regulation.

17 12-907.

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

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

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

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

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

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

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

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

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

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

9 (i) pass the examination given by the Board under subsection  
10 ~~[(d)] (E)~~ of this section;

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

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

17 2. pass the part of the examination given by the Board  
18 that differs from the national examination.

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

21 (i) submit to the Commissioner an application on the form that  
22 the Commissioner requires; and

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

24 (2) The application shall include:

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

27 (ii) evidence that the individual satisfies the requirements of  
28 subsection (b) of this section.

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

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

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~~ BY REGULATION,  
10 THE COMMISSIONER SHALL ESTABLISH INSURANCE REQUIREMENTS, BASED ON  
11 NATIONALLY ACCEPTED STANDARDS, THAT MUST BE SATISFIED BY AN  
12 AUTHORIZED INSPECTION AGENCY BEFORE A COMMISSION MAY BE ISSUED TO  
13 THE AUTHORIZED INSPECTION AGENCY.

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

16                   (2)   The examination:

17                   (i)   shall be in writing;

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

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

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

24                   (ii)  The reexamination shall be given by the Board within 90  
25 days.

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

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

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

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

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

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

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

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

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

17                   (ii)   submits evidence to the Commissioner that the special  
18 inspector:

19                           1.    meets the standards imposed by this subtitle;

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

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

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

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

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

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

32                   (i)    incompetence of the special inspector;

1 (ii) untrustworthiness of the special inspector;

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

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

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

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

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

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

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

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

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

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

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

26 (ii) the Commissioner shall revoke the special inspector  
27 commission immediately.

28 12-909.

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

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

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

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

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

18 (2) Inspection requirements of operating equipment shall:

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

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

21 1. previous experience, based on records of performance  
22 and maintenance;

23 2. location, with respect to personnel hazard;

24 3. provision for related safe operation OF controls; and

25 4. interrelation with other operations outside the scope  
26 of this subtitle.

27 12-910.

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

31 (i) each certificate inspection; and



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

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

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

5 (ii) be in the form required by regulations adopted under this  
6 subtitle.

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

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

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

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

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

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

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

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

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

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

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

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

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

3                                   2.     \$125, for a statement that covers more than 25 but  
4 less than 101 pressure vessels;

5                                   3.     \$250, for a statement that covers more than 100 but  
6 less than 501 pressure vessels; or

7                                   4.     \$325, for a statement that covers more than 500  
8 pressure vessels.

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.