

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE

House Bill 943

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

Economic Matters

Education, Health, and Environmental Affairs

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**Boiler and Pressure Vessels - Special Inspector Commission - Insurance  
Requirements**

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This departmental bill requires the Commissioner of Labor and Industry to establish, by regulation, insurance requirements that authorized boiler and pressure vessel inspection agencies must satisfy before their employees are allowed to act as boiler and pressure vessel inspectors.

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**Fiscal Summary**

**State Effect:** None. The change is technical in nature and does not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law/Background:** Chapter 497 of 2008 allowed authorized third-party inspectors, in addition to State inspectors, to conduct certain boiler and pressure vessel inspections. Chapter 387 of 2010 established the types of inspections that must be conducted by the State's Chief Boiler Inspector and deputy inspectors and specified that, for routine inspections, owners of uninsured boilers and pressure vessels must contract with either an authorized third-party inspector, the Chief Boiler Inspector, or another

State inspector. (Insured boilers are generally inspected by the authorized insurance company.) Although owners of uninsured boilers or pressure vessels may request that the State inspect these devices, the revisions to the State's inspection fee schedule included in Chapter 387 result in third-party inspectors likely offering significantly more affordable inspection prices than the State. Thus, State inspectors are expected to conduct significantly fewer routine boiler and pressure vessel inspections due to Chapter 387.

Chapter 387 changed or repealed several provisions of law related to boiler and pressure vessel inspections, including the provision (which was included in Chapter 497) requiring the Commissioner of Labor and Industry to establish insurance requirements for inspection agencies that this bill reestablishes. DLLR advises that it believes the removal of this provision by Chapter 387 was inadvertent and the proof-of-insurance requirement is consistent with the National Board of Boiler and Pressure Vessel Inspector's Code.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 21, 2011  
ncs/mcr

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Boiler and Pressure Vessels – Special Inspector Commission – Insurance Requirements

BILL NUMBER: HB 943

PREPARED BY: Department of Labor, Licensing, and Regulation

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.