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March 28, 2018

To: The Honorable Sylvia Luke, Chair,  
The Honorable Ty J.K. Cullen, Vice-Chair, and  
Members of the House Committee on Finance

Date: Wednesday, March 28, 2018

Time: 4:00 p.m.

Place: Conference Room 308 State Capitol

From: Leonard Hoshijo, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. No. 2803 SD2HD1 RELATING TO BOILER AND ELEVATOR SAFETY LAW**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This bill makes housekeeping amendments to the definition of boilers, elevators and kindred equipment; makes housekeeping amendments in various parts of the chapter pertaining to pressure vessels; makes a housekeeping amendment for the qualification of boiler inspectors; changes the classification of the Boiler and Elevator Special Fund to the Boiler and Elevator Revolving Fund; and extends the time from five to ten years for the Director to reimburse the general fund from the Boiler and Elevator Revolving Fund.

The Department strongly supports this Departmental bill.

**II. CURRENT LAW**

The current law contains various definitions of elevators and kindred equipment that are either no longer a part of applicable standards, transitioned to the jurisdiction of other work groups, excluded from American Society of Mechanical Engineers (ASME) Safety codes, or non-existent in Hawaii.

The current law also misclassifies the Boiler and Elevator Branches funding category as a Special Fund instead of a Revolving Fund. The Conference Committee Rep. No. 168-12 (SLH, 2012) for Act 103 that established the fund reported, "The purpose of this

measure is to improve public safety by providing a mechanism for self-sufficiency for the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations."

Lastly, the law currently allows only a five-year reimbursement period for the initial appropriation or seed money of one million dollars made from the State's general fund.

### **III. COMMENTS ON THE SENATE BILL**

This proposed bill makes needed housekeeping amendments to the definition of elevators and kindred equipment by deleting certain types of equipment from the definition. These housekeeping amendments will eliminate the ambiguities and/or misrepresentations which could likely cause unnecessary confusion or potential problems in attempts to examine or comply with the law.

Mechanized parking elevators are no longer part of the national consensus standards (ASME A17.1, Safety Code for Elevators and Escalators), therefore, there is no code to adhere to for inspections. In addition, mechanized parking elevators are not intended or designed to move people.

The jurisdiction for manlifts has transitioned to the other branches within the Hawaii Occupational Safety and Health Division (HIOSH) because HIOSH considers manlifts to be hazardous equipment requiring safety training for employees who use them. Furthermore, ASME A17.1, Safety Code for Elevators and Escalators, excludes manlifts. There are currently six manlifts in the state.

Aerial tramways are commonly found in mountainous areas and used for the purposes of accessing remote areas in high elevations and for sightseeing. There are no aerial tramways in the State and DLIR believes that it is highly unlikely that such equipment would be built for the foreseeable future. Furthermore, the national consensus standards for this type of equipment is not currently covered by the ASME A17.1, Safety Code for Elevators and Escalators.

Personal automatic trains are an antiquated term and DLIR was unable to obtain evidence of their existence by searching the internet.

The national consensus standards adopted by the National Board of Boiler and Pressure Vessel Inspectors contains the term "pressure vessel" in addition to boilers and pressure systems, therefore, this proposal inserts "pressure vessel" in the appropriate sections in the chapter. The proposal also makes a housekeeping amendment for the qualification of boiler inspectors.

The classification of the Boiler and Elevator Special Fund should be changed to a revolving fund to properly align the fund with the statutory definition of a revolving fund found in section 37-62, HRS. ""Revolving fund" means a fund from which is paid the cost of goods and services rendered or furnished to or by a state agency and which is replenished through charges made for the goods or services or through

transfers from other accounts or funds." The alignment to the correct definition would allow for the proper processing of the funds as a revolving fund that supports the self-sustaining charter of this operational work group.

The Boiler and Elevator branch has made significant strides in finding and recruiting the uniquely skilled elevator inspectors for its recovery efforts, which has taken a little longer than expected. The branch has now filled all but one of its vacancies with the needed skilled inspectors and supervisor, and is functioning as intended. Due to this extended recovery period, the Boiler and Elevator branch has only reimbursed sixty percent (60%) of its initial appropriated general fund seed money, but has made reimbursement payments every year. This proposal extends the time for the Director to reimburse the general fund from the Boiler and Elevator operating fund from five to ten years, which will help ensure that safety operations can continue while maintaining a feasible repayment schedule. DLIR plans to repay \$100,000 per year over the next four years to repay the general fund.