

SB 2803

SD-2

**RELATING TO BOILER
AND ELEVATOR
SAFETY LAW**

A BILL FOR AN ACT

RELATING TO BOILER AND ELEVATOR SAFETY LAW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 397-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~{~~§397-3~~}~~ **Definitions.** As used in this chapter:

4 "Appeals board" means the ~~[department of]~~ labor and
5 industrial relations appeals board~~[.]~~ established by section
6 371-4.

7 "Boiler" means a closed vessel in which water or other
8 liquid is heated, steam or vapor is generated, steam or vapor is
9 superheated, or any combination thereof under pressure for use
10 external to itself, by the direct application of ~~[heat. The~~
11 ~~term "boiler" includes fired units for heating or vaporizing~~
12 ~~liquids other than water where these units are separate from~~
13 ~~processing systems and complete within themselves.]~~ energy from
14 the combustion of fuels, or from electricity or solar energy.

15 "Contractor" means any person, firm, or corporation
16 installing, repairing, or servicing and responsible for the safe
17 operation of any boiler, pressure system, amusement ride, ~~[and]~~



1 or elevator and kindred equipment or structure inspected
2 pursuant to this chapter.

3 "Department" means the department of labor and industrial
4 relations.

5 "Director" means the director of labor and industrial
6 relations.

7 "Division" means the division of occupational safety and
8 health.

9 "Elevator" means a hoisting and lowering mechanism
10 permanently installed in a structure, designed to carry
11 passengers or authorized personnel, equipped with a car or
12 platform which moves in fixed guides and serves two or more
13 fixed landings.

14 "Elevators and kindred equipment" [~~as used in this chapter~~]
15 means elevators, escalators, dumbwaiters, moving walks, stage
16 lifts, [~~mechanized parking elevators, manlifts,~~] inclined lifts,
17 personnel hoists, [~~aerial tramways,~~] permanently installed
18 material lifts, [~~personal automatic trains~~] and any other
19 similar mechanized equipment used to convey people in places
20 other than a public right-of-way.



1 "National Board" means the National Board of Boiler and
2 Pressure Vessel Inspectors [~~7, 1055 Crupper Avenue, Columbus, Ohio~~
3 ~~43229~~].

4 "Owner" means any person, firm, or corporation with legal
5 title to any boiler, pressure system, amusement ride, [~~and~~] or
6 elevator and kindred equipment inspected pursuant to this
7 chapter who may or may not be the user.

8 "Pressure piping" means piping systems specified in the
9 [~~American National Standard Code for Pressure Piping developed~~
10 ~~and promulgated by the~~] American Society of Mechanical
11 Engineers [~~-~~] Power Piping Code B31.1.

12 "Pressure [~~systems~~] system" means [~~both~~] either a pressure
13 [~~vessels and~~] vessel or pressure piping as defined in this
14 section.

15 "Pressure vessel" means a closed vessel in which pressure
16 is obtained from an external source or by the direct application
17 of heat from a direct or indirect source.

18 "User" means any person, firm, or corporation legally in
19 possession and responsible for the safe operation of any boiler,
20 pressure system, amusement ride, [~~and~~] or elevator and kindred
21 equipment inspected pursuant to this chapter.



1 "Vendor" means any person, firm, or corporation that sells
2 or distributes any boiler, pressure system, amusement ride,
3 [~~and~~] or elevator and kindred equipment required to be inspected
4 pursuant to this chapter."

5 SECTION 2. Section 397-4, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§397-4 Powers and duties.** (a) Administration.

8 (1) The department shall establish a boiler and elevator
9 inspection branch for the enforcement of the rules
10 adopted under this chapter and other duties as
11 assigned;

12 (2) The department shall:

13 (A) Implement and enforce the requirements of this
14 chapter; and

15 (B) Keep adequate and complete records of the type,
16 size, location, identification data, and
17 inspection findings for boilers, pressure
18 systems, amusement rides, and elevators and
19 kindred equipment required to be inspected
20 pursuant to this chapter;



- 1 (3) The department shall formulate definitions and adopt
2 and enforce standards and rules pursuant to chapter 91
3 that may be necessary for carrying out this chapter[-
4 ~~Definitions and rules adopted in accordance with~~
5 ~~chapter 91 under the authority of chapter 396, prior~~
6 ~~to the adoption of this chapter that pertain to~~
7 ~~boilers, pressure systems, amusement rides, and~~
8 ~~elevators and kindred equipment required to be~~
9 ~~inspected pursuant to this chapter, shall be continued~~
10 ~~in force under the authority of this chapter];~~
11 (4) Emergency temporary standards may be adopted without
12 conforming to chapter 91 and without hearings to take
13 immediate effect upon giving public notice of the
14 emergency temporary standards or upon another date
15 that may be specified in the notice. An emergency
16 temporary standard may be adopted, if the director
17 determines:
18 (A) That the public or individuals are exposed to
19 grave danger from exposure to hazardous
20 conditions or circumstances; and



1 (B) That the emergency temporary standard is
2 necessary to protect the public or individuals
3 from danger.

4 Emergency temporary standards shall be effective until
5 superseded by a standard adopted under chapter 91, but
6 [~~in any case~~] shall not be effective [~~no~~] longer than
7 six months;

8 (5) Variances from standards adopted under this chapter
9 may be granted upon application of an owner, user,
10 contractor, or vendor. Application for variances
11 shall correspond to procedures set forth in the rules
12 adopted pursuant to this chapter. The director may
13 issue an order for variance, if the director
14 determines that the proponent of the variance has
15 demonstrated that the conditions, practices, means,
16 methods, operations, or processes used or proposed to
17 be used will provide substantially equivalent safety
18 as that provided by the standards;

19 (6) Permits.

20 (A) The department shall issue a "permit to operate"
21 regarding any boiler, pressure system, amusement



1 ride, or elevator and kindred equipment if found
2 to be safe in accordance with rules adopted
3 pursuant to chapter 91;

4 (B) The department may immediately revoke any "permit
5 to operate" of any boiler, pressure system,
6 amusement ride, or elevator and kindred equipment
7 found to be in an unsafe condition or where a
8 user, owner, or contractor ignores prior
9 department orders to correct specific defects or
10 hazards and continues to use or operate the
11 [~~above-mentioned~~] aforementioned apparatus
12 without abating the hazards or defects;

13 (C) The department shall reissue a "permit to
14 operate" to any user, owner, or contractor who
15 demonstrates that the user, owner, or contractor
16 is proceeding in good faith to abate all
17 nonconforming conditions mentioned in department
18 orders and the boilers, pressure systems,
19 amusement rides, and elevators and kindred
20 equipment are safe to operate; and



1 (D) The department shall establish criteria for the
2 periodic reinspection and renewal of the permits
3 to operate, and may provide for the issuance of
4 temporary permits to operate while any
5 noncomplying boiler, pressure system, amusement
6 ride, and elevator and kindred equipment are
7 being brought into full compliance with the
8 applicable standards and rules adopted pursuant
9 to this chapter; provided that the period between
10 an initial safety inspection or the inspection
11 used as a basis for the issuance of a permit to
12 operate, and any subsequent inspection of
13 elevators and kindred equipment shall not exceed
14 one year;

15 (7) No person shall operate a boiler, pressure system,
16 amusement ride, or elevator and kindred equipment
17 [which] that are required to be inspected by this
18 chapter or by any rule adopted pursuant to this
19 chapter [~~shall be operated~~], except as necessary to
20 install, repair, or test, unless a permit to operate



- 1 has been authorized or issued by the department and
2 remains valid; and
- 3 (8) The department, upon the application of any owner,
4 ~~[or]~~ user, or other person affected thereby, may grant
5 time that may reasonably be necessary for compliance
6 with any order. Any person affected by an order may
7 for cause petition the department for an extension of
8 time.
- 9 (b) Inspection and investigation.
- 10 (1) Authorized representatives of the director shall have
11 the right to enter without delay during regular
12 working hours and at other reasonable times any place,
13 establishment, or premises in which are located
14 boilers, pressure systems, amusement rides, ~~[and]~~ or
15 elevators and kindred equipment requiring inspection
16 pursuant to this chapter~~[-]~~;
- 17 (2) The department shall inspect for the purpose of
18 ~~[insuring]~~ ensuring compliance with the purposes and
19 provisions of this chapter any activity related to the
20 erection, construction, alteration, demolition, or
21 maintenance of buildings, structures, bridges,



1 highways, roadways, dams, tunnels, sewers, underground
2 buildings or structures, underground pipelines or
3 ducts, and other construction projects or
4 facilities[-];

5 (3) The department shall review plans and make
6 inspections, and investigations of boilers[-] and
7 pressure systems, and the premises appurtenant to each
8 at times and at intervals determined by the director
9 for the purpose of [~~insuring~~] ensuring compliance with
10 the [~~purpose~~] purposes and provisions of this chapter.
11 This [~~section~~] paragraph shall not apply to single
12 family dwellings or multiple dwelling units of less
13 than six living units[-];

14 (4) The department shall review plans and make
15 inspections, and investigations of elevators and
16 kindred equipment and the premises appurtenant to each
17 at times and at intervals determined by the director
18 for the purpose of [~~insuring~~] ensuring compliance with
19 the purposes and provisions of this chapter. This
20 [~~section~~] paragraph shall not apply to single family
21 dwellings[-];



- 1 (5) The department shall inspect, at least semi-annually,
2 all mechanically or electrically operated devices
3 considered as major rides and used as amusement rides
4 at a carnival, circus, fair, or amusement park for the
5 purpose of protecting the safety of the ~~[general]~~
6 public. This ~~[section]~~ paragraph shall not apply to
7 any coin operated ride or mechanically or electrically
8 operated devices considered or known in the amusement
9 trade as kiddie rides~~[-]~~ i;
- 10 (6) The department may investigate accidents involving
11 boilers, pressure systems, amusement rides, and
12 elevators and kindred equipment inspected under this
13 chapter and may issue orders and recommendations with
14 respect to the elimination and control of the cause
15 factors~~[-]~~ i;
- 16 (7) The department shall have the right to question any
17 employer, owner, operator, agent~~,~~ i or employee in
18 investigation, enforcement, and inspection activities
19 covered by this chapter~~[-]~~ i; and
- 20 (8) Any employee of the State acting within the scope of
21 the employee's office, employment, or authority under



1 this chapter shall not be liable in or made a party to
2 any civil action [~~growing~~] arising out of the
3 administration and enforcement of this chapter.

4 (c) Education and training.

5 (1) The department may disseminate through exhibitions,
6 pictures, lectures, pamphlets, letters, notices, and
7 any other method of publicity, to owners, users,
8 vendors, architects, contractors, employees, and the
9 [~~general~~] public information regarding boilers,
10 pressure systems, amusement rides, and elevators and
11 kindred equipment required to be inspected pursuant to
12 this chapter[~~-~~]; and

13 (2) Where appropriate, the department may undertake
14 programs in training and consultation with owners,
15 users, property management firms, vendors, architects,
16 contractors, employees, and the [~~general~~] public
17 regarding the safety requirements of this chapter and
18 the rules [~~and regulations-~~] adopted pursuant to this
19 chapter.

20 (d) Enforcement.



- 1 (1) Whenever right of entry to a place to inspect any
2 boiler, pressure system, amusement ride, or elevator
3 and kindred equipment required by this chapter to be
4 inspected is refused to an authorized representative
5 of the director, the department may apply to the
6 circuit court where [~~such~~] the place [~~exists~~] is
7 located for a search warrant providing on its face
8 that the wilful interference with its lawful execution
9 may be punished as a contempt of court[-];
- 10 (2) Whenever the department finds that the construction of
11 or the operation of any boiler, pressure system,
12 amusement ride, or elevator and kindred equipment
13 required to be inspected by this chapter is not safe,
14 or that any practice, means, method, operation, or
15 process employed or used is unsafe or is not in
16 conformance with the rules [~~and regulations~~
17 promulgated] adopted pursuant to this chapter, the
18 department shall issue an order to render the
19 construction or operation safe or in conformance with
20 this chapter or the rules [~~and regulations~~] and
21 deliver the [~~same~~] order to the contractor, owner, or



1 user. Each order shall be in writing and may be
2 delivered by mail or in person. The department may in
3 the order direct that, in the manner and within a time
4 specified [~~such~~], any additions, repairs,
5 improvements, or changes be made and [~~such~~] safety
6 devices and safeguards be furnished, provided, and
7 used as are reasonably required to [~~insure~~] ensure
8 compliance with the purposes and provisions of this
9 chapter. The owner, [~~or~~] user, or contractor shall
10 obey and observe all orders issued by the department
11 or be subject to appropriate civil penalties[-];

- 12 (3) Whenever in the opinion of the department the
13 condition [~~of~~] or [~~the~~] operation of boilers,
14 pressure systems, amusement rides, or elevators and
15 kindred equipment required to be inspected by this
16 chapter, or any practice, means, method, operation, or
17 process employed or used, is unsafe, or is not
18 properly guarded or is dangerously placed, the use
19 thereof may be prohibited by the department[-] and an
20 order to that effect shall be posted prominently on
21 the equipment, or near the place or condition referred



1 to in the order. The order shall be removed when a
2 determination has been made by an authorized
3 representative of the department that the boilers,
4 pressure systems, amusement rides, or elevators and
5 kindred equipment are safe and the required safeguards
6 or safety devices are provided[-];

- 7 (4) When in the opinion of the department the operation of
8 boilers, pressure systems, amusement rides, or
9 elevators and kindred equipment[-] required to be
10 inspected by this chapter or any practice, means,
11 method, operation, or process employed or used
12 constitutes an imminent hazard to the life or safety
13 of any person[-] or [tø] property, the department may
14 apply to the circuit court of the circuit in which
15 [~~such~~] the boilers, pressure systems, amusement rides,
16 or elevators and kindred equipment are [~~situated~~]
17 located or [~~such~~] the practice, means, method,
18 operation, or process is employed for an injunction
19 restraining the use or operation until the use or
20 operation is made safe. The application to the
21 circuit court accompanied by an affidavit showing that



1 the use or operation exists in violation of a
2 standard, rule, [~~regulation,~~] variance, or order of
3 the department and constitutes an imminent hazard to
4 the life or safety of any person or [~~the~~] property and
5 accompanied by a copy of the standard, rule,
6 [~~regulation,~~] variance, or applicable order, shall
7 warrant, in the discretion of the court, the immediate
8 granting of a temporary restraining order. No bond
9 shall be required from the department as a
10 prerequisite to the granting of a restraining
11 order[~~;~~];

12 (5) The director and the director's authorized
13 representative shall have the same powers respecting
14 the administering of oaths, compelling the attendance
15 of witnesses, the production of documentary evidence,
16 and examining or causing to be examined witnesses as
17 are possessed by the court and may take depositions
18 and certify to official acts. The circuit court of
19 any circuit, upon application by the director, shall
20 have the power to enforce by proper proceedings the
21 attendance and testimony of any witness so subpoenaed.



1 Subpoena and witness fees and mileage in such cases
2 shall be the same as in criminal cases in the circuit
3 courts. Necessary expenses of, or in connection with,
4 [~~such~~] the hearings or investigations shall be payable
5 from the funds appropriated for expenses of
6 administration of the department. No person shall be
7 excused from attending or testifying or producing
8 materials, books, papers, correspondences, memoranda,
9 and other records before the director or in obedience
10 to subpoena on the grounds that the testimony or
11 evidence, documentary or otherwise, required of the
12 person may tend to incriminate the person or subject
13 the person to a penalty or forfeiture; but no
14 individual shall be prosecuted or subjected to any
15 penalty or forfeiture for or on account of any
16 transaction, matter, or thing concerning which the
17 individual is compelled, after having claimed the
18 individual's privilege against self-incrimination, to
19 testify or produce evidence, documentary, or
20 otherwise, except that [~~such~~] the individuals [~~se~~]
21 testifying shall not be exempt from prosecution and



1 punishment for perjury committed [~~in-se~~] while
2 testifying[-];

3 (6) Where a condition or practice involving any boiler,
4 pressure system, amusement ride, or elevator and
5 kindred equipment required to be inspected by this
6 chapter could reasonably be expected to cause death or
7 serious physical harm, the department shall have the
8 right, independent of any other enforcement powers
9 under this chapter, to:

10 (A) Immediately take steps to obtain abatement by
11 informing the owners, users, contractors, and all
12 persons in harms way of [~~such~~] the hazard by
13 meeting, posted notice, or otherwise;

14 (B) Take steps to immediately obtain abatement
15 through direct control or elimination of the
16 hazard if after reasonable search, the user,
17 owner, or contractor or their representative is
18 not available;

19 (C) Take steps to obtain immediate abatement when the
20 nature and imminency of the danger or hazard does



1 not permit a search for the owner, user, or
2 contractor; and
3 (D) Where appropriate, initiate necessary legal
4 proceedings to require abatement by the owner,
5 user, or contractor[-]; and
6 (7) The department may prosecute, defend, and maintain
7 actions in the name of the department for the
8 enforcement of the provisions of this chapter,
9 including the enforcement of any order issued by it,
10 the appeal of any administrative or court decision,
11 and other actions necessary to enforce this chapter."

12 SECTION 3. Section 397-5, Hawaii Revised Statutes, is
13 amended by amending subsections (b) and (c) to read as follows:

14 "(b) All fees received by the department pursuant to this
15 section shall be paid into the boiler and elevator [~~special~~]
16 revolving fund.

17 (c) Effective July 1, 2012, the fees for inspections,
18 permits, and examinations of boilers, pressure systems,
19 elevators, kindred equipment, and amusement rides shall be as
20 prescribed by the schedules in this section; provided that the



1 director may adopt rules pursuant to chapter 91 to amend the
2 fees specified in this section.

3 SCHEDULE A: Boiler and Pressure System Fees

4 Installation, Repair, and Alteration Permit Fees:

5 (1) Power boilers (shall pass a hydrostatic test unless
6 indicated otherwise):

7 Miniature electric (no hydrostatic test
8 required) \$190

9 Less than 500 square feet of heating
10 surface \$250

11 Greater than or equal to 500 and less
12 than or equal to 3,000 square feet of
13 heating surface \$400

14 Greater than 3,000 square feet of heating
15 surface \$750

16 (2) Heating boiler \$190
17 Retrofit \$160

18 (3) Pressure vessel \$175
19 Retrofit \$130

20 (4) Sterilizers and steam kettles \$150
21 Retrofit \$110



1	(5) Repair application fee	\$200
2	(6) Alteration application fee	\$500
3	Examination and License Fees:	
4	(1) Boiler inspectors certificate of competency	
5	examination fee	\$300
6	(2) Review of shops and facilities for the	
7	issuance of National Board or American	
8	Society of Mechanical Engineers	
9	certificate of authorization	\$1,500
10	(3) Review of shops and facilities for the	
11	issuance of Non-Boiler External Piping	
12	certificate of authorization	\$750
13	(4) Boiler inspector's Hawaii commission,	
14	initial and renewal	\$75
15	Internal and External Inspection Fees:	
16	(1) Power boilers:	
17	Without manholes	\$150
18	With manholes but less than or equal to	
19	3,000 square feet of heating surface	\$180
20	With manholes greater than 3,000 and less	
21	than or equal to 10,000 square feet of	



1	heating surface	\$260
2	With manholes and over 10,000 square	
3	feet of heating surface	\$450
4	(2) Heating boilers:	
5	Hot water supply	\$130
6	Steam and water heating without manholes	\$110
7	Steam, over 100 square feet but not over	
8	500 square feet of heating surface	\$140
9	All with manholes and steam over 500	
10	square feet of heating surface	\$170
11	(3) Pressure vessels:	
12	Routine inspections	\$65
13	Internal for air or water service	\$130
14	Ultrasonic testing	\$130
15	(4) For all other types of inspections	
16	an hourly fee is assessed	\$100
17	(5) Hydrostatic test	\$300
18	(6) School "specials" (non-code objects)	\$10
19	Reports and Permit Processing Fees:	
20	(1) Report and permit	\$25
21	(2) Permit reprint	\$20



1	(3) Signed permit card (old issue)	\$10
2	(4) Owner portal	\$5
3	SCHEDULE B: Elevator and Kindred Equipment Fees	
4	Installation and Alteration Permits:	
5	(1) Alteration involving only the replacement of	
6	up to two parts (such as a valve, a jack,	
7	or a cylinder)	\$150
8	(2) Alteration involving only cosmetic changes	
9	(such as car interior modernizations)	\$300
10	(3) Alterations of more than two parts, [or]	
11	components, [and/or] <u>or</u> subsystems:	
12	1 - 3 floors	\$600
13	4 - 9 floors	\$650
14	10 - 19 floors	\$700
15	20 - 29 floors	\$750
16	30 - 39 floors	\$800
17	40 or more floors	\$900
18	(4) Where alterations to four or more units at	
19	the same location are identical, the fee for	
20	each additional alteration permit shall be	
21	reduced by fifty per cent. The applications	



1 must be submitted at the same time to qualify
2 for the fee reduction.

3 (5) Installation of new elevators (including material
4 lifts) and kindred equipment:

5	Dumbwaiter	\$500
6	Escalator, moving walk, or moving ramp	\$500
7	Hand elevator[manlift] or stage lift	\$500
8	Wheelchair or stairway lifts	\$500
9	Elevator, 1 - 3 floors	\$600
10	Elevator, 4 - 9 floors	\$650
11	Elevator, 10 - 19 floors	\$700
12	Elevator, 20 - 29 floors	\$750
13	Elevator, 30 - 39 floors	\$800
14	Elevator, 40 or more floors	\$900
15	[Aerial tramways	\$900]
16	Personnel hoists	\$250
17	Inclined tunnel lifts	\$500

18 (For elevators, such as observation or deep
19 well elevators, which have considerable rise
20 but few openings, each ten feet of vertical
21 rise shall be considered one floor for the



1 purpose of determining installation or
2 alteration permit fees.)

3 (6) Temporary use permits (construction car) \$450

4 (7) For each valid alteration or installation
5 permit, the department shall provide one
6 inspection per unit.

7 (8) The fee for each additional inspection or
8 witnessing of tests, or both, shall be \$300
9 per day for up to two hours and \$600 per day
10 for more than two hours if during the normal
11 workday. Fees for overtime hours shall
12 be \$600 per day for up to two hours and
13 \$1,200 per day for more than two hours.

14 (9) Each installation or alteration permit
15 shall be valid for up to one year from date
16 of issuance.

17 Inspection Fees:

18 (1) Permit renewal inspection fees:

19 Dumbwaiter \$140

20 Escalator, moving walk, or moving ramp \$150

21 Hand elevator [~~manlift~~] or stage lift \$150



1	Wheelchair or stairway lifts	\$150
2	Hydraulic elevator - holed	\$150
3	Hydraulic elevator - holeless	\$200
4	Traction elevator:	
5	1 - 3 floor rise	\$225
6	4 - 9 floor rise	\$250
7	10 - 19 floor rise	\$275
8	20 - 29 floor rise	\$325
9	30 - 39 floor rise	\$400
10	40 or more floor rise	\$475
11	[Aerial tramways	\$400]
12	Personnel hoists	\$175
13	Inclined tunnel lifts	\$220
14	(2) Safety, load or internal test (witness fees):	
15	3-year safety test	\$200
16	5-year safety test	\$300
17	Escalator internal	\$100
18	(3) Permit renewal and witness fees are per	
19	inspection, which may constitute one day or	
20	part of the day. If the inspector is required	
21	to return on another day or at another time	



1 on the same day, additional fees shall be
 2 assessed at the rate of \$300 per day for up
 3 to two hours and \$600 per day for more than
 4 two hours. Fees for overtime hours shall be
 5 \$600 per day for up to two hours and \$1,200
 6 per day for more than two hours.

7 Schedule C: Amusement Ride Fees

8 Inspection Fees:

9 (1) Permit renewal inspection fees:

10 Amusement ride	\$100
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11 (2) Permit renewal fees are per inspection,
 12 which may constitute one day or part of the
 13 day. If the inspector has to return on
 14 another day or at another time within the
 15 same day, additional fees shall be assessed
 16 at the rate of \$300 per day for up to two hours
 17 and \$600 per day for more than two hours. Fees
 18 for overtime hours shall be \$600 per day for up
 19 to two hours and \$1,200 per day for more than
 20 two hours."



1 SECTION 4. Section 397-6, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) A qualified boiler inspector is a person eligible for
4 or in possession of a valid commission issued by the National
5 Board of Boiler and Pressure Vessel Inspectors, who has
6 satisfied the requirements established by the department, and
7 who has received from the director or the director's authorized
8 agent briefings and instructions regarding the rules [~~and~~
9 ~~regulations~~] pertaining to boilers and pressure systems in this
10 State."

11 SECTION 5. Section 397-13, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "[~~§~~397-13~~]~~ Boiler and elevator [~~special~~] revolving
14 fund; establishment; [~~purposes.~~] purpose. (a) There is
15 established in the state treasury the boiler and elevator
16 [~~special~~] revolving fund, into which shall be deposited all fees
17 collected pursuant to section 397-5 and any appropriation from
18 the legislature. All interest and investment moneys earned on
19 any moneys in the [~~special~~] revolving fund shall become part of
20 the [~~special~~] revolving fund.



1 (b) The purpose of the [~~special~~] revolving fund is to
2 provide for sufficient operating costs to carry out the purposes
3 of this chapter. Moneys in the fund may be expended for:

4 (1) Personnel and operating expenses;

5 (2) Staff training and staff certification fees and
6 expenses;

7 (3) Preparation and dissemination of public information on
8 safe installation and use of equipment regulated by
9 this chapter;

10 (4) Preparation of annual reports to the legislature as
11 required by this chapter; and

12 (5) Reimbursement to the general fund as required by this
13 section.

14 (c) The director shall submit a report to the legislature
15 on the status of the boiler and elevator [~~special~~] revolving
16 fund, including expenditures and program results, not less than
17 twenty days prior to the convening of each regular session.

18 (d) No later than [~~five~~] ten years from the date of the
19 establishment of the [~~special~~] revolving fund, the director
20 shall reimburse the general fund for the amount of any initial



1 appropriation that was made by the general revenues of the State
2 to the [~~special~~] revolving fund."

3 SECTION 6. This Act does not affect the rights and duties
4 that matured, penalties that were incurred, and proceedings that
5 were begun before its effective date.

6 SECTION 7. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 8. This Act shall take effect on July 1, 2018.



S.B. NO. 2803
S.D. 2

Report Title:

Boiler and Elevator Safety Law; Boiler and Elevator Revolving Fund

Description:

Makes housekeeping amendments to Boiler and Elevator Safety Law. Changes name of the boiler and elevator special fund to boiler and elevator revolving fund. Extends the time from five to ten years for the Director of Labor and Industrial Relations to reimburse the general fund from the Boiler and Elevator Revolving Fund. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



SB 2803

SD-2

TESTIMONY

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR



LEONARD HOSHIJO
DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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March 15, 2018

To: The Honorable Aaron Ling Johanson, Chair,
The Honorable Daniel Holt, Vice-Chair, and
Members of the House Committee on Labor and Public Employment

Date: Thursday, March 15, 2018
Time: 9:00 a.m.
Place: Conference Room 309 State Capitol

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

Re: S.B. No. 2803 SD2 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 none 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 about 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.

SB 2803

SD-2

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TESTIMONY