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STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
[www.labor.hawaii.gov](http://www.labor.hawaii.gov)

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February 23, 2021

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

Date: Tuesday, February 23, 2021

Time: 2:00 p.m.

Place: Conference Room 308 Via Videoconference

From: Anne Perreira-Eustaquio, Deputy Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 1004 HD1 RELATING TO THE DEPARTMENT  
OF LABOR AND INDUSTRIAL RELATIONS**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This measure seeks to augment the capacity of the department to inspect boilers, pressure vessels, elevators and kindred equipment, and amusement rides by allowing the department to revoke or suspend the permit to operate for equipment for which the required fees or fines are not submitted to the department after notification.

This measure also seeks to add definitions for "amusement ride", "permit to operate", and "pressure retaining item" into the law, and to eliminate the fee schedule for boilers, pressure vessels, pressure systems, elevators and kindred equipment, and amusement rides.

The DLIR strongly supports this Administration measure and requests a minor housekeeping amendment.

**II. CURRENT LAW**

Section 397-3, HRS, provides definitions for this statute absent "amusement ride", "permit to operate", and "pressure retaining item".

Section 397-4(a)(6)(B), HRS, provides for the powers and duties of the department including conditions under which the department will revoke any "permit to operate".

Section 397-5, HRS, provides for the applicable fees for this statute.

Section 397-6, HRS, provides for the safety inspection by qualified inspectors.

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

The DLIR strongly supports the measure as it will enhance its ability to collect fees which will help enable the department's stewardship of the boiler and elevator revolving fund. The department requests deleting "boilers, pressure systems" from section 397-2 and replacing the language with "pressure retaining items,".

The purpose of this Act is to augment the capacity of the department to inspect elevators and kindred equipment and amusement rides. The Supplemental Appropriations Act of 2012 included six additional elevator inspector positions. Act 103, Session Laws of Hawaii (SLH) 2012, established the boiler and elevator special fund, changed the means of financing to special funding, and provided a mechanism for self-sustainability for the Boiler and Elevator Branch (Branch) of the Occupational Safety and Health Division (HIOSH).

In passing Act 103, the Legislature recognized that the boiler and elevator inspection program staffing and budget had suffered from across-the-board cuts and neglect that had rendered it ineffective and a hindrance to economic revitalization, and most importantly, a threat to public safety.

Act 186, SLH 2018, amended the law by changing the special fund to a revolving fund to properly align the fund with the statutory definition of a revolving fund found in section 37-62, HRS.

However, despite the additional resources and elevator inspector positions, the department has struggled to perform inspections of all elevators and kindred equipment in a timely manner.

The department has struggled to collect fees for inspections already completed, which threatens the viability of the boiler and elevator revolving fund. Providing the department with the ability to prohibit the use of equipment will enhance compliance with the timely paying of fees.

The fee schedules for boilers and elevators and kindred equipment are outdated and unnecessary as the director has undergone chapter 91, HRS, rule-making for both boilers and elevators and kindred equipment and already changed the fees. The updated fee schedules are in the related rules.