

Honolulu, Hawaii

FEB 16 2022RE: S.B. No. 3126
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 3126 entitled:

"A BILL FOR AN ACT RELATING TO THE BOILER AND ELEVATOR SAFETY LAW,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow the Director of Labor and Industrial Relations to authorize qualified boiler inspectors who are in the exclusive employment of an owner-user inspection organization, defined as "an owner or user of a pressure retaining item, whose organization and inspection procedures meet the requirements of the National Board of Boiler and Pressure Vessel Inspectors, and is approved by the Director of Labor and Industrial Relations to perform safety inspections of pressure retaining items; and
- (2) Extend the time by which the Director of Labor and Industrial Relations is required to reimburse the general fund for the initial appropriation made as a loan to the Boiler and Elevator Revolving Fund, from ten to thirteen years from the date the fund was established.



Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Hawaiian Electric Company, Inc.

Your Committee finds that existing law requires safety inspections of pressure retaining items to be performed by Deputy Boiler Inspectors employed with the Department of Labor and Industrial Relations, and upon receiving authorization from the Director of Labor and Industrial Relations, by a Special Inspector, who is a qualified boiler inspector employed by insurance companies insuring pressure retaining items in Hawaii. Your Committee also finds that qualified boiler inspectors who are in exclusive employment with an owner-user inspection organization are certified by the National Board of Boiler and Pressure Vessel Inspectors to the same standards as the Special Inspectors, and are better equipped to readily perform necessary inspections of pressure retaining items owned by their employers.

Your Committee also finds that the National Board of Boiler and Pressure Vessel Inspectors allows owner-user inspection organizations to establish and maintain an inspection program, provided that the organization and its inspection procedures meet national accreditation requirements and are approved by the appropriate authority in the jurisdiction in which the owner-user is located. Furthermore, the existing rules adopted by the Department of Labor and Industrial Relations allow owner-user inspection organizations to perform safety inspections, provided that the inspections are performed by qualified boiler inspectors. This measure codifies the current practice engaged in by the Department of Labor and Industrial Relations and owner-user inspection organizations in Hawaii.

Your Committee further finds that the Legislature established the Boiler and Elevator Special Fund in 2012 to enable the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations' Hawaii Occupational Safety and Health Division to become financially self-sufficient. The Legislature appropriated \$1,000,000 to the fund as a loan and required the Director of Labor and Industrial Relations to repay the amount in five years. In 2018, the fund was converted into the Boiler and Elevator Revolving Fund and the deadline to repay the loan was extended by five years, to 2022. Your Committee finds, however, that the viability of the Revolving Fund had been threatened

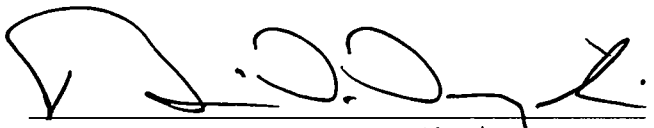


during recent years, as the branch has been struggling to collect fees for inspections the branch had completed. Act 200, Session Laws of Hawaii 2021, addressed this issue by allowing the Director of Labor and Industrial Relations to prohibit the operation of pressure retaining items, amusement rides, and elevators and kindred equipment if inspection fees or fines were not timely paid. According to testimony by the Department of Labor and Industrial Relations, to date, the department has deposited \$750,000 to reimburse the general fund. Your Committee believes that an extension of the reimbursement deadline will enable the Department to continue to provide the necessary safety inspections and services while maintaining a feasible repayment schedule.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3126, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor, Culture and
the Arts,


BRIAN T. TANIGUCHI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Labor, Culture and the Arts
LCA

Bill / Resolution No.:* SB 3126	Committee Referral: LCA, WAM	Date: 1-31-22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
KEOHOKALOPE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes