

SB 350 INTRODUCED BY WALKER, LYNCH, JACOBSON, ET AL.  
LICENSURE OF BOILER AND PRESSURE VESSEL INSTALLERS

2/16 INTRODUCED  
2/16 REFERRED TO LABOR & EMPLOYMENT RELATIONS  
2/16 FISCAL NOTE REQUESTED  
2/19 HEARING  
2/19 FISCAL NOTE RECEIVED  
2/19 TABLED IN COMMITTEE

1  
 2 INTRODUCTION BY *Senator* BILL NO. *350*  
 3 *Richard Manning* *Richard Manning* *Richard Manning* *Richard Manning*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING EXAMINATION  
 5 AND QUALIFICATION OF BOILER OR PRESSURE VESSEL INSTALLERS;  
 6 AND PLACING BOILER AND PRESSURE VESSEL INSTALLERS UNDER THE  
 7 DIVISION OF WORKERS' COMPENSATION."  
 8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 10 Section 1. Definitions. As used in [sections 2 through  
 11 12], the following definitions apply:  
 12 (1) "Boiler" or "boilers" means:  
 13 (a) a closed vessel or vessels intended for the  
 14 heating or vaporizing of liquids to be used externally to  
 15 such vessel or vessels by the application of heat from  
 16 combustible fuels, electricity, or nuclear energy;  
 17 (b) related appurtenances including but not limited to  
 18 pressure piping directly connected and related to the safe  
 19 operation of a boiler; and  
 20 (c) pressure piping beyond the second valve from the  
 21 boiler.  
 22 (2) "Department" means the department of labor and  
 23 industry.  
 24 (3) "Division" means the division of workers'  
 25 compensation.

1 (4) "Minimum safety standards" means the rules for the  
 2 safe construction and installation of boilers and pressure  
 3 vessels promulgated either under [sections 2 through 12] or  
 4 Title 50, chapter 74, part 1.  
 5 (5) "Pressure vessels" means containers for the  
 6 containment of pressure, either internal or external. This  
 7 pressure may be obtained from an external source or by the  
 8 application of heat from a direct or indirect source, or any  
 9 combination thereof.  
 10 (6) "Related appurtenances" means equipment  
 11 instrumental to the safe operation of a boiler or pressure  
 12 vessel.  
 13 Section 2. Purpose. The purpose of [sections 2 through  
 14 12] is to protect the safety of the people of Montana and to  
 15 protect property situated in Montana from the hazards of  
 16 fire and explosion caused by boilers and pressure vessels.  
 17 To accomplish this purpose, the legislature intends to  
 18 provide a system:  
 19 (1) for determining where and by whom boilers and  
 20 pressure vessels are being constructed and installed;  
 21 (2) to assure that only qualified persons do welding  
 22 on boilers and pressure vessels;  
 23 (3) to assure that boilers and pressure vessels are  
 24 manufactured and installed to meet the minimum safety  
 25 standards formulated and promulgated by the division;



1 (4) for the administration and enforcement of  
2 [sections 2 through 12] by the department; and

3 (5) to defray the cost of administration and the cost  
4 of enforcing [sections 2 through 12] by establishing fees to  
5 be charged for licensure and examination.

6 Section 3. Rulemaking. (1) The division may adopt and  
7 enforce rules to carry out [sections 2 through 12] and to  
8 set forth minimum safety standards. The division may also  
9 adopt standards for persons performing welding on boilers  
10 and pressure vessels.

11 (2) All rules, including minimum safety standards,  
12 must be reasonable and in conformity with generally accepted  
13 national engineering standards. In adopting rules the  
14 division shall consider the probability, extent, and gravity  
15 of injuries to persons and property that would result from  
16 the failure to adopt the proposed standards as rules and the  
17 effect on members of affected industries.

18 Section 4. Powers and duties of department. The  
19 department may:

20 (1) when it appears that a person is engaging in or is  
21 about to engage in an act or practice in violation of a  
22 provision of [sections 2 through 12], obtain, without  
23 furnishing a bond, a restraining order and injunction from  
24 the district court in the county where the act or practice  
25 is occurring or is threatened enjoining the act or practice.

1 However, before obtaining a restraining order and  
2 injunction, the department shall first notify the person  
3 concerned of its intentions. The notice must be in writing  
4 and must advise the person concerned of its intentions and  
5 of the right to appeal in writing within 10 days and that  
6 the appeal will be heard by the department. If there is a  
7 timely request for an appeal, proceedings will be stayed  
8 pending the appeal unless the act or practice constitutes an  
9 immediate menace to health or safety or the person concerned  
10 fails to prosecute the appeal with diligence.

11 (2) check or caused to be checked the authenticity,  
12 appropriateness, and expiration dates of licenses issued  
13 under [sections 2 through 12].

14 Section 5. Prohibitions concerning nonconforming  
15 boilers or vessels. No person may:

16 (1) make or direct the construction or installation of  
17 a boiler or pressure vessel that does not meet minimum  
18 safety standards;

19 (2) lend, rent out, offer to lend or rent out, sell,  
20 offer for sale, or dispose of, by gift or otherwise, for  
21 operation, a boiler or pressure vessel that does not meet  
22 the minimum safety standards;

23 (3) use or attempt to use a boiler or pressure vessel  
24 that fails to meet the minimum safety standards; or

25 (4) make any installation of a boiler or pressure

1 vessel without notifying the division as prescribed by rules  
2 promulgated under [section 3].

3 Section 6. Automatic utility hot water heater  
4 equipment requirement. (1) After October 1, 1987, no person  
5 may install an automatic utility hot water heater of the  
6 kind described in subsection (2) unless the heater is  
7 equipped with a safety device of a kind approved by the  
8 division in accordance with [sections 2 through 12].

9 (2) Subsection (1) applies to new or used automatic  
10 utility hot water heaters, not used for space heating and  
11 containing only water, that do not exceed 120 gallons in  
12 capacity, water temperature of 200 degrees F, pressure of  
13 150 pounds per square inch gauge pressure, or a heat input  
14 in excess of 200,000 Btu's an hour.

15 (3) After January 1, 1988, no person may sell or offer  
16 for sale in this state any automatic utility hot water  
17 heater of the kind described in subsection (2) unless the  
18 heater is equipped with a safety device of a kind approved  
19 by the division in accordance with [sections 2 through 12].

20 Section 7. Deposit of fees. All fees collected under  
21 [sections 2 through 12] must be deposited in the state  
22 special revenue fund for the use of the department in  
23 implementing [sections 2 through 12], subject to 37-1-101.

24 Section 8. Licensing and certification of persons  
25 installing, altering, or repairing boilers or pressure

1 vessels -- examination. (1) No person may engage in the  
2 business of installing boilers or pressure vessels unless he  
3 first obtains a license from the department.

4 (2) The division may conduct examinations for  
5 licensure to establish the competency of the applicant.

6 (3) Licenses must be issued by the department upon  
7 recommendation of the division and upon payment of fees set  
8 by the division for application, examination, and licensure.

9 (4) The licenses must be renewed annually without  
10 reexamination upon payment of the fees set by the division.

11 (5) No person may install a boiler or pressure vessel  
12 without first securing a license from the department unless  
13 the person is not subject to licensure.

14 (6) The examination requirements of this section do  
15 not apply when a person is brought in from out of state to  
16 install a boiler or pressure vessel utilizing special tools  
17 or a special process for which that person is uniquely  
18 qualified. The activity must be limited solely to the  
19 special process and the person performing the work shall  
20 have qualifications that meet or exceed the state's  
21 licensure standards as determined by the division. The  
22 division must be notified prior to performance of any work  
23 under this subsection.

24 Section 9. Employment of unlicensed person prohibited.  
25 No person may employ any person to install a boiler or

1 pressure vessel who does not hold a valid license issued  
2 under [section 8].

3 Section 10. Procedure for suspension of license --  
4 reinstatement. (1) A license issued pursuant to [section 8]  
5 may be suspended by the division for the incompetence of the  
6 holder thereof or for willful falsification of any matter or  
7 statement contained in an application. Written notice of  
8 the suspension must be given by the division within not more  
9 than 10 days to the person who holds the license and the  
10 employer of the person. A person whose license has been  
11 suspended may appeal to the department and be present in  
12 person and represented by counsel at the hearing of the  
13 appeal.

14 (2) If the division has reason to believe that a  
15 person who holds a license is no longer qualified to hold  
16 the license, the division, upon not less than 10 days'  
17 written notice to the person and the employer of the person,  
18 shall hold a hearing at which the person and the employer  
19 have an opportunity to be heard. If as a result of the  
20 hearing the division finds that the person is no longer  
21 qualified to hold the license, the division shall revoke the  
22 license.

23 (3) A person whose license has been suspended may  
24 apply, after 90 days from the date of the suspension, for  
25 reinstatement of the license.

1 Section 11. Examination -- requirements. (1) The  
2 division shall prepare examinations that meet the following  
3 requirements:

4 (a) The examinations must be prepared in consultation  
5 with persons expert in examination preparation and  
6 validation.

7 (b) The examinations must be standardized. In  
8 standardizing examinations under this section, the division  
9 may adopt standardized examinations prepared by nationally  
10 recognized bodies.

11 (2) The division shall allow any person who takes an  
12 examination to review his examination and to review any  
13 grade sheets used in connection with the examination.

14 Section 12. Notice of violation. If an inspector under  
15 Title 50, chapter 74, part 2, determines that a condition  
16 exists that is a violation of the safety standards  
17 prescribed pursuant to [sections 2 through 12], the  
18 inspector shall notify the division.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

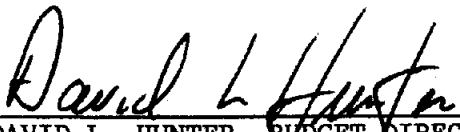
In compliance with a written request, there is hereby submitted a Fiscal Note for SB350, as introduced.

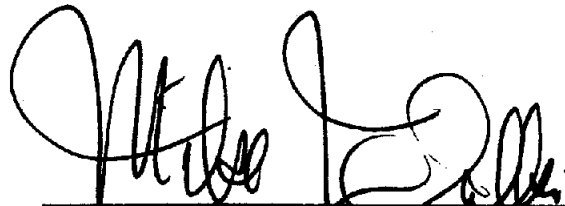
DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring examination and qualification of boiler or pressure vessel installers; and placing boiler and pressure vessel installers under the Division of Workers' Compensation.

ASSUMPTIONS:

1. The following occupations would be subject to the provisions of the bill:
  - a. Electricians - required to do electrical wiring on safety controls, such as pressure trolls and aquastats.
  - b. Plumbers and pipe fitters - to install or repair pressure piping related to boiler and pressure vessel installations.
  - c. Boilermakers and machinists - required to install and repair boilers and pressure vessels.
2. The following are estimates of individuals who would be required to be licensed under this bill:
  - a. Electricians - 75% of union list provided by AFL-CIO 800 licensees
  - b. Plumbers - Department of Commerce licenses plumbers 860 licensees
  - c. Boilermakers and machinists - 75% of union list provided by AFL-CIO 600 licenseesTotal estimated licensees under this bill 2,260 licensees
3. All 2,260 licensees would renew their license each year. Approximately 10% or 226 new licensees would apply each year thereafter.
4. One full-time examiner would be needed the first year to license applicants. Licensing of new applicants each year thereafter could be absorbed with present staff.
5. .25 clerical FTE would be needed each year to process applications, issue licenses, and send renewal notices.
6. An initial mailing to all licensed electricians, plumbers and pipe fitters, and boilermakers and machinists must be processed to notify them of the requirements for licensing under this bill.
7. Full-time examiner would travel 18,000 miles a year, and three weeks a month the first year of the program.
8. Fees would be set to generate income to cover expenses.
9. Program will begin October 1, 1987, and taking into consideration start-up time, the program will not be fully implemented until January 1, 1988.

 DATE 2/19/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

 DATE  
MIKE WALKER, PRIMARY SPONSOR

Fiscal Note for SB350, as introduced.

**SB 350**

Fiscal Note Request, SB350, as introduced.

Form BD-15

Page 2

Net Revenue Effect:

FISCAL IMPACT:

Revenue:

	<u>FY88</u>		<u>FY89</u>	
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Current Law</u>	<u>Proposed Law</u>
New Application fees	\$ 0	\$ 39,550	\$ 0	\$ 3,955
Renewal fees	0	0	0	9,040
TOTAL	\$ 0	\$ 39,550	\$ 0	\$ 12,995

Expenditures:

Personal Services	\$ 0	\$ 21,288	\$ 0	\$ 10,048
Operating Services	0	8,362	0	3,721
TOTAL	\$ 0	\$ 29,650	\$ 0	\$ 13,769

Net Revenue Effect: \$ 9,900 \$ ( 774)

Renewal fees are recommended to be set at the same level as the renewal fee for boiler operators in the event the estimate of new applicants the second year is too high.

Revenue and expenditures impact the State Special Revenue Fund.