



Cherie K. Berry
Commissioner

Legal Affairs Division

MEMORANDUM

TO: Joint Legislative Commission on Governmental Operations

From: A. John Hoomani
General Counsel
N.C. Department of Labor

Date: October 17, 2005

RE: Consultation for Establishment of Fees – N.C. Department of Labor/Boiler and Pressure Vessel Bureau

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| Boiler and Pressure Vessel Bureau Fee Increase |
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§95-69-11(11) gives the Commissioner of Labor authority to establish reasonable fees for the inspection and issuance of inspection certificates for boilers and pressure vessels that are in use. By and through this authority, in March of 1997, as set forth in 13 NCAC 13.0213, the Commissioner of Labor established certain fees for the Boiler and Pressure Vessel Bureau.

Since the 1997 fee establishment, the closure of large industries has significantly impacted the N.C. Department of Labor's Boiler and Pressure Vessel Bureau in that its receipts are being reduced each time a boiler or pressure vessel is lost within the state from an industry closure. This has resulted in the Bureau losing two thousand one-hundred and six (2,106) boiler and pressure vessels for inspection between the 2003 and 2005 fiscal years. Additionally, with economical expenses increasing, the Bureau is forced to spend more funds on pay raises, mileage expenses, and administrative costs.

To offset the Bureau's loss resulting from industry closures, to minimize a potential revenue shortfall, and to sustain an effective program, it is necessary to increase the current fee schedule for inspection and issuance of inspection certificates for boilers and pressure vessels within the State of North Carolina.

Therefore, we are requesting approval of a permanent rule increasing the fees for inspection and issuance of inspection certificates for boilers and pressure vessels as is set forth in the following text:

13 NCAC 13 .0213, CERTIFICATE AND INSPECTION FEES, is proposed for amendment as follows:

13 NCAC 13 .0213 CERTIFICATE AND INSPECTION FEES

(a) A ~~twenty five dollar (\$25.00)~~ thirty dollar (\$30.00) certificate and processing fee for each boiler or pressure vessel inspected by an Insurance Inspector and found to be in compliance with the rules in this Chapter shall be paid to the North Carolina Department of Labor.

(b) An inspection and certificate fee shall be paid to the North Carolina Department of Labor for each boiler or pressure vessel inspected by a ~~deputy inspector~~ Deputy Inspector as follows:

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| Boilers - An inspection of a boiler where the heating surface is: | External | |
| Inspection | Internal Inspection | |
| Less than 500 sq. ft. | \$40.00 <u>\$45.00</u> | \$70.00 <u>\$80.00</u> |
| 500 or more sq. ft. but less than 5000 sq. ft. | \$100.00 <u>\$110.00</u> | \$200.00 <u>\$225.00</u> |
| 5000 or more sq. ft. | \$250.00 <u>\$300.00</u> | \$400.00 <u>\$500.00</u> |
| <u>Cast iron boilers</u> | <u>\$45.00</u> | <u>\$75.00</u> |
| <u>Locomotive boilers (Antique Exhibition/Show)</u> | <u>N/A</u> | <u>\$75.00</u> |
| <u>Exhibition boilers (Antique Exhibition/Show)</u> | <u>N/A</u> | <u>\$45.00</u> |
| <u>Hobby boilers</u> | <u>N/A</u> | <u>\$30.00</u> |

Pressure Vessels - An inspection of a pressure vessel, other than a heat exchanger, where the product of measurement in feet of the diameter or width, multiplied by its length is:

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|-----------------------------|-------------------------------------|-------------------------------------|
| | External Inspection | Internal |
| Inspection | | |
| Less than 20 | \$30.00 <u>\$35.00</u> | \$35.00 <u>\$40.00</u> |
| 20 or more but less than 50 | \$40.00 <u>\$45.00</u> | \$50.00 <u>\$55.00</u> |
| 50 or more but less than 70 | \$70.00 <u>\$75.00</u> | \$100.00 <u>\$125.00</u> |
| 70 or more | \$100.00 <u>\$125.00</u> | \$150.00 <u>\$180.00</u> |

Heat Exchangers - An inspection of a heat exchanger, where the heating surface is:

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| | External Inspection |
| Less than 500 sq. ft. | \$40.00 <u>\$45.00</u> |
| 500 or more sq. ft. but less than 1000 sq. ft. | \$50.00 <u>\$55.00</u> |

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|---|-------------------------------------|
| 1000 or more sq. ft. but less than 2000 sq. ft. | \$75.00 <u>\$85.00</u> |
| 2000 or more sq. ft. but less than 3000 sq. ft. | \$100.00 <u>\$125.00</u> |
| 3000 | \$125.00 <u>\$175.00</u> |

(c) In addition to the base fees established herein, a fee of ~~seventy~~ eighty five dollars (~~\$70.00~~) (\$85.00) per hour, including travel time, plus each expense allowed by 138-6 and 138-7 and the standards and criteria established thereto by the Director of the Budget, at the applicable state rate shall be paid to the North Carolina Department of Labor for each special inspection as defined by 13 NCAC 13 .0101(43) and for all inspections performed outside of normal working hours as defined by 13 NCAC 13 .0101(31).

(d) A fee of ~~two~~ three hundred ~~fifty~~ dollars (~~\$250.00~~) (\$300.00) per one-half day (four hours) or any part of one-half day or ~~four~~ five hundred ~~twenty~~ dollars (~~\$420.00~~) (\$500.00) for one day (four to eight hours) plus, in either case, each expense allowed by 138-6 and 138-7 and the standards and criteria established thereto by the Director of the Budget, at the applicable state rate shall be paid to the North Carolina Department of Labor for each shop inspection as defined by 13 NCAC 13 .0101(42).

(e) A fee of three hundred fifty dollars (~~\$300.00~~) (\$350.00) per one-half day (four hours) or any part of one-half day or ~~four~~ five hundred ~~eighty sixty~~ dollars (~~\$480.00~~) (\$560.00) for one day (four to eight hours), plus, in either case, each expense allowed by 138-6 and 138-7 and the standards and criteria established thereto by the Director of the Budget, at the applicable state rate shall be paid to the North Carolina Department of Labor for each nuclear inspection.

(f) A fee of ~~three~~ four hundred ~~fifty~~ dollars (~~\$350.00~~) (\$400.00) per one-half day (four hours) or any part of one-half day or ~~five~~ six hundred ~~fifty forty~~ dollars (~~\$550.00~~) (\$640.00) for one day (four to eight hours), plus, in either case, each expense allowed by 138-6 and 138-7 and the standards and criteria established thereto by the Director of the Budget, at the applicable state rate shall be paid to the North Carolina Department of Labor for audits.

(g) Fees for regularly scheduled inspections and audits conducted by the Chief Inspector or a Deputy Inspector outside of normal working hours or that exceed eight hours per inspection visit shall include an additional ~~thirty~~ fifty dollar (~~\$30.00~~) (\$50.00) fee per hour in addition to the normal inspection or audit fee.

(h) Printed information derived from the database for boilers and pressure vessels maintained by the Division, is available for public scrutiny. Charges for providing this service shall be payable upon receipt of invoice to the North Carolina Department of Labor. Charges for this service are as follows:

- (1) Requests for database information for which the Division has created the information selection criteria and printout format for its own use, and which can be furnished without the need for special programming will be furnished to the requester at the actual cost of reproducing the record.
 - (2) Requests for database information which requires special selection criteria or printout format, and which requires the need for special programming services to derive the requested information or format, will be furnished for seventy-five dollars (\$75.00) plus twenty-five cents (\$0.25) per page.
- (i) Copies of inspection reports or other inspection records may be provided upon written request to the requester at the actual cost of reproducing the record.

History Note: Authority G.S. 95-69.11;

Eff. May 29, 1981;

Amended Eff. January 1, 1995; March 2, 1992; September 1, 1986;

Temporary Amendment Eff. March 11, 1997;

Temporary Amendment Eff. March 11, 1997 expired on December 27, 1997;

Temporary Amendment Eff. December 10, 1997;

Amended Eff. March 1, 2006; August 1, 1998.