



Economic Impact Analysis Virginia Department of Planning and Budget

16 VAC 25-50 – Boiler and Pressure Vessel Regulations
Department of Labor and Industry
February 25, 2009

Summary of the Proposed Amendments to Regulation

The Safety and Health Codes Board (Board) proposes to: 1) update the current regulation for consistency with national and international standards, 2) add a fee of \$10.00 for the reprinting of inspection certificates, and 3) increase the boiler inspection fee from \$800 to \$1000.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

As a result of a periodic review published November 12, 2007, the Board is proposing to amend the current regulation to update certain provisions, establish a new fee, and increase the inspection fee. The proposed regulation would incorporate the current standards established in recent editions of national and international codes. The Board states that an increase in fees is necessary because costs have increased. The Board is required to match fees to actual costs of operation. Travel expenses have driven up the cost of inspections and fees have not been increased since 1999. The Board proposes to increase the inspection fee from \$800 to \$1000 to reflect a cost of living adjustment. Since the Consumer Price Index has increased by 29 percent over the last ten years,¹ the proposed 25 percent increase in the fee is reasonable.

While the Department of Labor and Industry (Department) presently does not charge for a duplicate Certificate of Inspection, a \$10.00 fee represents the cost to the Department of generating a duplicate certificate. This fee includes printing, mailing and employee's work-

¹ CPI-U in January 1999: 164.3; CPI-U in January 2009: 211.143

related time. The fees that the Department charges are based upon state law which requires that the Boiler Safety Compliance Program of the Department recoup no more than the Department's actual costs.

Businesses and Entities Affected

The proposed amendments affect the approximately 50 "R" Stamp (boiler) holders in the Commonwealth that have their reviews performed by the Department.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposals do not significantly affect employment.

Effects on the Use and Value of Private Property

The use of value of private property will not be significantly affected.

Small Businesses: Costs and Other Effects

The proposed increases very moderately increase costs for "R" Stamp holders.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments do not significantly adversely affect small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to

be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.