



Economic Impact Analysis Virginia Department of Planning and Budget

**16 VAC 25-40 – Standards for Boiler and Pressure Vessel Operator Certification
Department of Labor and Industry
May 11, 2013**

Summary of the Proposed Amendments to Regulation

The Safety and Health Codes Board (Board) proposes to emend its regulations that govern certification for boiler and pressure vessel operators by making several clarifying changes to regulatory text and by eliminating a requirement that the chief boiler inspector or his designee provide and evaluate a written certification examination for boiler and pressure vessel operators who maintain boilers in any locality in the Commonwealth.

Result of Analysis

There is insufficient information to ascertain whether benefits will outweigh costs for these proposed regulations.

Estimated Economic Impact

Current regulations require the chief boiler inspector or his designee to provide and evaluate a written examination for boiler and pressure vessel operators. Board staff reports that this regulatory requirement has been in place since 1993 but that no locality has ever actually implemented it by asking the Department of Labor and Industry (DOLI) to provide or evaluate the required written examination. As a consequence, the Board now proposes to eliminate this requirement. Board staff reports that, absent this requirement, localities would provide an examination should they ever decide to implement 16 VAC 25-40-30(C). This change will increase uncertainty for boiler operators because regulations will no longer state who is responsible for providing and evaluating a written certification exam. Any localities that choose to implement 16 VAC 25-40-30 (C) in the future would also incur costs for providing and evaluating a written exam.

Businesses and Entities Affected

Board staff reports that affected entities include Virginia localities and any boiler operators that operate/maintain boilers in any county, city or town in the Commonwealth. Board staff further reports that between several dozen and several hundred entities are subject to these regulations and, therefore, will be affected by these proposed regulatory changes.

Localities Particularly Affected

Localities that employ boiler and pressure vessel operators will be particularly affected by these proposed regulations.

Projected Impact on Employment

This proposed regulatory action is unlikely to have any effect on employment in the Commonwealth.

Effects on the Use and Value of Private Property

These proposed regulatory changes are unlikely to affect the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

No small business is likely to incur and additional expense on account of these regulatory changes.

Small Businesses: Alternative Method that Minimizes Adverse Impact

No small business is likely to incur and additional expense on account of these regulatory changes.

Real Estate Development Costs

This regulatory action will likely have little effect on real estate development costs in the Commonwealth.

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 14 (10). Section 2.2-4007.04 requires that such economic impact

analyses include, but need not be limited to, a determination of the public benefit, 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 an 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.