

Honolulu, Hawaii

MAY 01 2012

RE: S.B. No. 2220  
S.D. 1  
H.D. 2  
C.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2220, S.D. 1, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to improve public safety by providing a mechanism for self-sufficiency for the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations. Specifically, this measure:

- (1) Establishes fee schedules for inspections, permits, and examinations of boiler and pressure systems, elevator and kindred equipment, and amusement rides;
- (2) Establishes the boiler and elevator special fund into which will be deposited fees from inspections, permits,



and examinations of boiler and pressure systems, elevator and kindred equipment, and amusement rides;

- (3) Authorizes the Director of Labor and Industrial Relations to establish ten additional permanent positions in the Boiler and Elevator Inspection Branch;
- (4) Requires the Department of Labor and Industrial Relations to submit an annual report to the Legislature prior to each regular session, starting with the 2013 Regular Session, on:
  - (A) The status of the elevator and boiler inspection backlog;
  - (B) The number of inspections completed for the year; and
  - (C) The effect that the increase in fees and the establishment of the boiler and elevator special fund have had on the elevator and boiler inspection backlog;
- (5) Appropriates an unspecified amount from the general fund for start up funds to be deposited into the boiler and elevator special fund; provided that the general fund is reimbursed within five years of the effective date of this measure; and
- (6) Appropriates an unspecified amount out of the boiler and elevator special fund for the purposes specified in this measure.

Your Committee on Conference finds that the Boiler and Elevator Inspection Branch operates entirely on general funds, and permit and inspection fees have not changed since 1998. Despite process improvements, seventy-five percent of elevators and fifty percent of boilers are operating without a current permit. Furthermore, the branch has a backlog in performing critical load tests on elevators, internal inspections of escalators, and inspections of amusement rides. This measure provides a mechanism for self-sufficiency to enable the branch to hire and retain qualified personnel and carry out inspection and permitting functions related to public safety.

Your Committee on Conference has amended this measure by:



- (1) Allowing any appropriations from the Legislature to be deposited into the boiler and elevator special fund;
- (2) Allowing the expenditure of monies in the boiler and elevator special fund to reimburse the general fund for start-up funds;
- (3) Requiring the Director of Labor and Industrial Relations to reimburse the general fund, no later than five years from the date the special fund was established, for any initial general revenue appropriations deposited into the special fund;
- (4) Clarifying that all fees received by the Department of Labor and Industrial Relations pursuant to the fee schedules established in this measure shall be paid into the boiler and elevator special fund;
- (5) Clarifying language to specify that the inspection fee for a power boiler with manholes with exactly 10,000 square feet of heating surface shall be \$260;
- (6) Clarifying that any civil penalties owed under chapter 397, Hawaii Revised Statutes, shall be paid to the Department of Labor and Industrial Relations and deposited into the general fund;
- (7) Deleting language that authorized the Director of Labor and Industrial Relations to establish ten additional permanent positions in the Boiler and Elevator Inspection Branch;
- (8) Deleting language that required the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the status of the elevator and boiler inspection backlog, the number of inspections completed for the year, and the effect that the increase in fees and the establishment of the boiler and elevator special fund have had on the elevator and boiler inspection backlog;
- (9) Inserting the sum of \$1,000,000 to be appropriated out of the general fund for fiscal year 2012-2013, for start up funds to be deposited to the credit of the boiler and elevator special fund;



- (10) Deleting language that appropriates an unspecified amount out of the boiler and elevator special fund for fiscal year 2012-2013, to be used for the purposes of this measure;
- (11) Changing the effective date to July 1, 2012; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2220, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



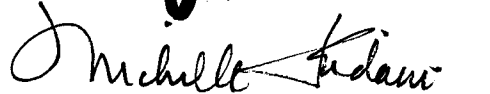
KARL RHOADS, Co-Chair



CLAYTON LEE, Chair



ANGUS L.K. MCKELVEY, Co-Chair



MICHELLE KIDANI, Co-Chair



KYLE T. YAMASHITA, Co-Chair



Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 2220, SD 1, HD 2</b>	Date/Time: <i>April 30, 2012 9:50am</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
HEE, Clayton, Chr.	✓				RHOADS, Karl, Co-Chr.	✓			
<del>HEE, David Y., Co-Chr.</del>					MCKELVEY, Angus L.K., Co-Chr.	✓			
KIDANI, Michelle N., Co-Chr.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
SHIMABUKURO, Maile S.E. →	✓				CABANILLA, Rida T.R.	✓			
<del>SHIMABUKURO, Maile S.E.</del>					ICHIYAMA, Linda	✓			
					FONTAINE, George R.	✓			
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  
*[Signature]*

House Lead Chair's or Designee's Signature:  
*[Signature]*

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