



Ohio Legislative Service Commission

Tom Middleton

Fiscal Note & Local Impact Statement

Bill: Am. H.B. 12 of the 130th G.A. **Date:** March 18, 2013
Status: As Reported by House Commerce, Labor, and Technology **Sponsor:** Rep. Roegner

Local Impact Statement Procedure Required: No

Contents: Allows the Board of Building Standards to establish rules to eliminate the requirement for certain boilers to be operated by licensed boiler operators or steam engineers

State Fiscal Highlights

- The bill allows the Board of Building Standards within the Department of Commerce to establish rules to exempt certain types of boilers from a requirement that they be operated or overseen by a licensed boiler operator or steam engineer. As a result, approximately 1,000 boilers could be exempted from this requirement.
- This exemption will also reduce the number of boiler operators or steam engineers seeking license renewal by approximately 1,500 according to the Department of Commerce. The annual license renewal fee is \$50. Using these estimates, revenue to the Industrial Compliance Operating Fund (Fund 5560) could decrease by up to approximately \$75,000 annually over time.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill allows the Board of Building Standards within the Department of Commerce to establish rules exempting certain types of boilers from a requirement that they be operated or overseen by a licensed boiler operator or steam engineer. Low pressure steam boilers and power boilers are eligible for this exemption, provided that they are automatically operated and directly fired with gas, oil, gas-oil, or electricity. Overall, there are currently 16,000 licensed boiler operators and steam engineers in the state. The exemption under the bill could result in a decreased number of boiler operator and steam engineer applications, exams, and license renewals that are processed annually by the Boiler Section under the Division of Industrial Compliance and Labor within the Department. The fees for these licensing requirements are set at \$75, \$100, and \$50, respectively, and deposited into the Industrial Compliance Operating Fund (Fund 5560).

In all likelihood, the exemption under the bill will result in a reduction in the number of annual license renewals processed by the Division of Industrial Compliance and Labor. The Department of Commerce estimates that approximately 1,000 boilers may qualify for an exemption after the adoption of rules by the Board of Building Standards. As a result, around 1,500 boiler operators or steam engineers may not seek license renewal. Using these estimates, revenue from license renewals to the Industrial Compliance Operating Fund (Fund 5560) could decrease by up to approximately \$75,000 annually (1,500 licenses x \$50). However, the Department states that this drop in license renewals will be a gradual development and depend on the rules to be adopted. Consequently, the expected loss in license revenue would not accrue all at once but rather over a period of time. In addition, this exemption may result in a decreased number of boiler operator and steam engineer applications and exams, the proceeds of which are also deposited into Fund 5560. The foregone revenue from application and exam fees is estimated to be minimal.