

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

24/11

2007 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2411

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2411**

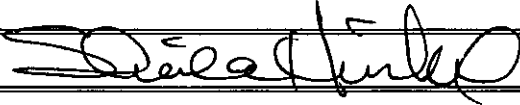
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 30, 2007**

Recorder Job Number: **2285**

Committee Clerk Signature



*Hobby boiler operator licensing*

**Senator David P O'Connell – In Favor**

**TESTIMONY # 1** Explained the bill

**Smokey Wright – ND Threshers Association - In Favor**

**SAFETY** is the prime cause for the bill. They want them licensed so that you have control.

**S Klein:** As the Drake threshing bee on little and big steamers. Right now no one is licensed?

**Smokey:** No one in ND at this time.

**S Klein:** Do they inspect them from the insurance department?

**Smokey:** Hydrostatic, Visual and Ultra sound

**Senator John Warner:** Family goes to threshing bees. My father owns a hobby steam boiler. He is very serious about his hobby. What this bill would do is create a licensing process for new people coming into this field. My father comes by this knowledge in boilers legitimately, part of his every day life as he was growing up was using steamers. If I take over his hobby some day, I will need some training to have a good, safe environment.

**S Klein:** I can understand some concern, is this a conflict for the hobby guys at the Makoti event? Are we meddling in this hobby?

**S Warner:** [5:01m analogy] As a professional sprayer, I had to take classes. I thought I knew everything, but learned so much. Boilers are small bombs, antiques to provide examples on how they ran in our nation's history.

**S Potter:** This really isn't a penalty. This grandfathers in everyone.

**S Wanzek:** I got a letter from St. Paul where my father attended a steam engine boiler school. Even then he knew he needed the training.

**S Warner:** When you see the plume of smoke, you know something wonderful is happening.

**S Hacker:** Is there a definition of "hobby boilers?"

**S Behm:** My father learned it from people who went before him, he didn't go to school. It's a good idea to have instruction.

**S Warner:** It's one thing to be in the field, another to be around with people standing close to you who think it's a toy.

**S Klein:** Those who get Grandfathered-in, how does that affect you?

**Smokey:** It will be \$25 in July and the cost for setting up for schooling. Everyone can learn something. It's not something to be afraid of, it's just something to be respected. We're asking for a license for and from these people.

**S Klein:** We see older operators, will/is there resistance?

**Smokey:** If I can't pass the test, I shouldn't be there.

**S Heitkamp:** Have you seen some accidents?

**Smokey:** No, but one blew in Medina due to operator error, no inspection, no license. 4 people were killed. Water needs to be at a certain level. There were several operator errors. If this happened in ND we would never recover.

**S Behm:** Now steam engines are rare, we've lost a lot of techniques, they need to have education.

**S Wanzek:** Part of the issue is safety in front of the public. Aren't we putting them at risk?

**Smokey:** Definitely. Inspectors know the machine might be safe, but we also need safe operators.

**Harvey Hankenson – Hobby Steam Operator - In Favor**

I've been associated with steam boilers most of my life. My grandfather in 1909 went to NDSU for 2 weeks to go to Boiler School. I have his test book. We encourage young people who show no interest in learning this hobby. They need to be a part of a system and do need to understand. The scale is ¼ size, not a ton, but not a toy. It's a small engine from 1900 circa and needs to be treated with respect. The equipment needs to be well inspected because of the pressure. The program would say, if the boiler is ok, now we need to know how to run it. If you don't pass the test, you don't run it.

In Michigan, Wisc. We attended a thresher bee where young kids were on the boiler, that bothered me. We want safety in ND and need to do what we have to do.

**S Behm:** Examples – steam engines must have a steam pop up.

**H Hankenson:** Yes, legal pop up.

**S Behm:** I saw how one operator ran his equipment and I walked away.

**H Hankenson:** They need blow once a day.

**Q? O? N?**

**Chuck Johnson, ND Insurance Dept., Chief Boiler Inspector - Neutral**

Equipment needs to be inspected annually. It will add more duties and need licensing and inspection to the program. They will be Grandfathered in for 2 years then be tested for licensed. The cost is \$4000 with \$3000 in revenue. This is for 30 tests and licenses. The

Fiscals were sent in on Monday.

**CLOSE**

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Senate Industry, Business and Labor Committee

Bill/Resolution No. **SB 2411**

Hearing Date: **January 30, 2007**

**MOTION DO PASS** by S Potter

**SECOND** by S Behm

**Vote: 6-0-1 Passed**

**Carrier: S Behm**

**FISCAL NOTE**  
**Requested by Legislative Council**  
04/04/2007

Amendment to: SB 2411

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$2,000		\$1,000
<b>Expenditures</b>				\$4,000		
<b>Appropriations</b>						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

See explanation in 2B.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2411 initiates a testing and licensing program for operators of hobby boilers such as those that power steam tractors.

The program is to be under the jurisdiction of the Insurance Commissioner, which presently has authority to inspect these and other boilers.

It is expected that the bill will generate approximately \$2,000 in revenues from testing and licensing fees during the 2007-2009 biennium and require roughly \$4,000 to develop tests, implement the testing program, and develop and publish the rules governing the program.

Thereafter, it is expected that the program will generate approximately \$1,000 in fees each biennium (20 applicants annually at \$50 for testing and licensing) and require minimum administrative expense.

It is expected that licenses will be six-year licenses.

It is expected that 20 or less new operators will apply for testing and licensing each year so that administrative costs going forward will be minimal and covered in the overall budget for the boiler inspection program.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency*

*and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See explanation above.

<b>Name:</b>	Jeff Bitz	<b>Agency:</b>	Insurance Department
<b>Phone Number:</b>	328-9600	<b>Date Prepared:</b>	04/04/2007



**FISCAL NOTE**  
 Requested by Legislative Council  
 03/06/2007

Amendment to: SB 2411

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$3,000		\$3,000
<b>Expenditures</b>				\$4,000		
<b>Appropriations</b>						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

See explanation in 2B.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2411 initiates a testing and licensing program for operators of hobby boilers such as those that power steam tractors.

The program is to be under the jurisdiction of the Insurance Commissioner, which presently has authority to inspect these and other boilers.

It is expected that the bill will generate approximately \$3,000 in revenues from testing and licensing fees during the 2007-2009 biennium and require roughly \$4,000 to develop tests, implement the testing program, and develop and publish the rules governing the program.

Thereafter, it is expected that the program will generate approximately \$3,000 in fees each biennium (30 applicants annually at \$50 for testing and licensing) and require minimum administrative expense.

It is expected that licenses will be four-year licenses.

It is expected that 30 or less new operators will apply for testing and licensing each year so that administrative costs going forward will be minimal and covered in the overall budget for the boiler inspection program.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

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and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

See explanation above.

<b>Name:</b>	Charles E. Johnson	<b>Agency:</b>	Insurance Department
<b>Phone Number:</b>	328-2440	<b>Date Prepared:</b>	03/06/2007

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/23/2007

Bill/Resolution No.: SB 2411

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$3,000		\$3,000
<b>Expenditures</b>				\$4,000		
<b>Appropriations</b>						

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

See explanation in 2B.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2411 initiates a testing and licensing program for operators of hobby boilers such as those that power steam tractors.

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**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

See explanation above.

<b>Name:</b>	Charles E. Johnson	<b>Agency:</b>	Insurance Department
<b>Phone Number:</b>	328-2440	<b>Date Prepared:</b>	01/29/2007

Date: 1-30-07

Roll Call Vote : \_\_\_\_\_

### 2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2411

Senate INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO Pass

Motion Made By Potter Seconded By Behm

Senators	Yes	No	Senators	Yes	No
Chairman Jerry Klein	✓		Senator Arthur Behm	✓	
Vice Chair Nicholas Hacker	✓		Senator Joel Heitkamp	✓	
Senator John Andrist	✓		Senator Tracy Potter	✓	
Senator Terry Wanzek	✓				

Total Yes 6 No 0

Absent 1

Floor Assignment Behm

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2411: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2411 was placed on the Eleventh order on the calendar.**

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2411

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2411

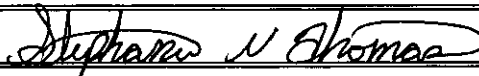
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: February 12, 2007

Recorder Job Number: 3398

Committee Clerk Signature



Minutes:

**Chair Keiser** opened the hearing on SB 2411.

**Harvey Hawkinson, ND Steam Tractor Association:** Support SB 2411. There are two major issues, and the first of which is a safety republic. Not to long ago in Ohio, one of these boilers blew up, and people died. There is no reason for this if people know what they're doing, and if equipment would be operated in a safe manner, and kept in a safe manner. All of those incidents happen, because somebody didn't have their head in the right place, and acknowledge what they should have been doing. We support a training program where people learn. We want to preserve this part of our culture. We feel we have enough resources to run a good training program, a supervised training program where young people can learn from others, and that's extremely important. We do compliment the state of ND on the equipment. Our equipment here is inspected, maintained, it's monitored, and if it isn't its shut down. I've been in other states at threshing shows, and they made me nervous based on the condition of the equipment with the amount of pressure they were running, and the amount of monitoring they had. We're trying to maintain a level of confidence among the public. When people come to one of these shows, there is no question if this thing is good or not. We need to keep this at a level where no one will question, and there should never be any issues. There are about 55



to 58 of those particular boilers in the state, and we feel that monitoring them and licensing would be a positive venture maintaining part of a heritage in the state of ND.

**Rep. Boe:** These boilers now are exempt from the law now?

**Harvey:** No. There is no operator licenser in ND. Boilers are licensed, but not the operator.

**Rep. Amerman:** Is this the Health Commissioner, or which commissioner are we talking about?

**Harvey:** Insurance Commissioner.

**Rep. Kasper:** Where does someone go to take this exam that you wanted to have done?

**Harvey:** I don't know if that's been determined at this point.

**Rep. Kasper:** So, she thought the Insurance Department would come up with the exams, or they'd farm it out to some continuing education firm, or something?

**Harvey:** I thought that they were essentially the only ones having administrative run. They're dealing with it.

**Rep. Clark:** Who has jurisdiction over the inspection of these boilers now?

**Harvey:** State boiler inspection is part of the Insurance Department.

**Rep. Keiser:** What is a hobby boiler?

**Harvey:** We associate it with the boilers that are in threshing shows, and are demonstrating. We associate it with old steam engines, or replicas thereof that are trying to recreate what we have 80, 90, to 100 years ago. I'm not sure. We're going to have to deal with what is a hobby boiler.

**Rep. Nottestad:** If someone set up a steam train, would that be considered a hobby boiler?

**Harvey:** In my opinion, it would be.

**Rep. Nottestad:** The licenser that's given at Rollog in Minnesota, would there be any reciprocals here, would that be possible?

**Harvey:** In my opinion, going from state to state would probably be difficult.

**Ray Wangler, Mechanical Engineer:** Support HB 2411. We have an excellent mechanical integrity program running on these hobby boilers now. The boilers that are operating out there right now, the hobby boilers are in good shape. I think the Threshers Association's position is that a lot of the operators that were trained by their fathers now are hitting 65 and older, and so we're looking at another wave of people that are going to be at these shows operating these engines, and it's really time now for ND to step up, and get a licensing program in place, so we can train these new operators. There is \$4,000 in that bill of the funding, and I think this is also the approval to get a fee. The Threshers Association was are intention to help write both the test, and the rules for working with the Insurance Department. I highly recommend that this committee endorse it. We're already somewhat self regulated on our operators, but this will really help us ensure somebody doesn't get on, and make a big mistake. What we've drafted as a definition of a hobby boiler is any hand fired steam boiler, not exempted by the ND Boiler Law, operating above 15 PSIG, and used during parades, exhibitions, and threshing shows where the public is invited.

**Rep. Johnson:** The boiler itself is already being inspected. This would be to identify individuals that are going to operate the boiler.

**Ray:** Yes, that's exactly right.

**Rep. Vigesaa:** Part of the new language on page 2 indicates that individuals already operating the boilers by the end of this biennium, by July 1 are considered grandfathered in. Do you have a list of the people that are currently operating the boilers?

**Ray:** No. Our intention is some sort of test part of the rules will define what that grandfathered in, but it's something that will read like has operated in the state a couple of the last three

years. We don't want to shut the show down to a dead stop until we get these people licensed. We feel like we have a good operator pool, this isn't an emergency.

**Rep. Ruby:** We have expenditures of \$4,000, and revenues of \$3,000. I was wondering why the fees weren't set up to cover the costs associated with implementing and administering the program.

**Ray:** We actually started down that way, and there was a lot of opposition to all of the fees, to my knowledge. I think the fees were higher, and there was some complaining about that from the associations from the shows, because their bringing from the show people now, these aren't necessarily the engine people.

**Rep. Nottestad:** When we're setting this up in ND, we're thinking mostly of ND. How are you going to handle the out of state, and out of country people that come in?

**Ray:** My vision of it would be that whatever kind of verification that we'd have for the operator, there's already inspections going on where the Insurance Department is on the site of the show, there might be a test administration period of 2-3. So, you can get your license today if you come down with the right amount of verification. You could take the test today, and operate today.

**Sen. John Warner, District 4:** I endorse this issue. My father has a hobby boiler, and when he passes that on to me, I haven't got a clue how he runs it.

**Sen. David O'Connell, District 6:** Support SB 2411. See written testimony #1.

**Rep. Nottestad:** When you're talking about the fees here, do you know what the fees are, say in Manitoba and Minnesota for taking the equivalent test?

**Ray:** The fee for Minnesota is the only one that I know, and I think its \$40.00, but that's a lifetime fee.

**Ruby:** As I look in the bill, where does it say a timeframe of how long the license is good for?

**Ray:** That's part of what we thought about for rules.

**Rep. Thorpe:** With an examination it says that a score of 70% is considered as passing. Are you comfortable with that?

**Ray:** The ones that we've seen from other states doing this, I think that number comes from them.

**Rep. Clark:** Isn't the NF70 boiler in Pressure Vessel Code that governs the operation of these boilers?

**Ray:** Not the operation. The way the state law is now, that requires bringing in a new boiler. Part of that law was those pre 1987 boilers that were allowed to run in the state by the chief boiler inspector's inspection, and calculations done on all that.

**Rep. Clark:** So, these boilers are exempt from the AS70 code?

**Ray:** I would say in general yes, that is true.

**Rep. Keiser:** I'm trying to understand the penalty. If I understand it the only penalty if you don't take the training is you can't get your hobby boiler license, is that correct?

**Ray:** I don't think you have to have the formal training. We're offering incentives for people to take the training as 40 hours experience for one weekend of what we'd call a steam school. I think with 120 hours that this says, and the verification from somebody that you've done that adequately, that would be what this says you would ask for.

**Rep. Keiser:** What if I don't take the training, and I buy a hobby boiler and I go to a show?

**Ray:** I know that the show would require you to have a certified operator, so if you show up without a license they can ask you to leave, and take your stuff with you. It's required here that your license be posted, the same as your certificate of inspection.

**Chuck Johnson, ND Industrial Department:** Neutral to SB 2411. What this bill would do is add a licensing, and testing program for the operators of these hobby boilers. The Insurance

Department is willing to assume that responsibility. The fiscal note does show additional expenditure of about \$4,000. Most of that would be initially trying to get the program started, developing the rules, the test, and the testing procedure. Annually, we'll be issuing like 30 licenses that we anticipate in a year, and as we understand, there's going to be an exam at these steam threshing festivals, so that they will be able to take them. There is going to be some work on the details of this whole program, and as far as the penalty, this is part of the boiler section of law, and there's a criminal penalty under the class B misdemeanor for violating a boiler without a certificate.

**Rep. Thorpe:** Has there been any problems in the past that brought this to the forefront in ND?

**Chuck:** There are times when persons in their operation are questionable, and their knowledge is sometimes questionable.

**Rep. Keiser:** Do we license all the non hobby boiler operators already?

**Chuck:** No.

**Rep. Keiser:** So, we're going to license the little guys, and not the big guys?

**Chuck:** The concern is that the little guys are in the public places like parades, or a public gathering.

**Rep. Keiser:** Who polices it?

**Bob Retes, ND Insurance Department:** There aren't any licensed operators in ND. What's unique here is that the people involved are the ones that want the license.

**Rep. Ruby:** What I found is that's not always so unique in rule one of industry. So, if somebody is operating a large one in a commercial building, then they're responsible for keeping one going. Then they decided to have a hobby of operating a small one, now they

have to be licensed. To operate the big one they're OK, and if I had a lot of experience that is basically what this is going to do?

**Bob:** That's an exact analysis we have.

**Rep. Vigesaa:** Do the steam engines fall into the hobby boiler definition?

**Bob:** That's exactly what it is.

**Rep. Vigesaa:** When I go to these steam thresher shows, there are usually 3-4 guys on that big engine. Who is actually the person that needs to be licensed?

**Bob:** There are two important people on a steam engine in a parade. One to keep the fire going, and one to steer it, and keep in charge of the gauges and things like that. Usually, you have a fireman, and an operator, and the operator is the one that is in charge.

**Rep. Keiser:** Is it OK the way it is, or do you want us to do something more definitional?

Which would the department prefer?

**Chuck:** The only concern I had was the term of the license was not defined. So, if it's \$25.00 per year, the thought I think of the group was that they would pay \$25.00, but it would be for a 4 year license.

**Rep. Keiser:** Personally, I'd rather see it in the statute, so that somebody doesn't change their mind, and come up with a different figure. Is it acceptable to go with the \$25.00 every 4 years? Can you financially manage that?

**Chuck:** Our thinking is that certainly with any program, it's probably going to cost a little more in the amount to administer, but had you quantified the cost, it's really hard to say that I think that we can take care of the testing, and the issuing of the license amongst the other duties.

**Rep. Keiser:** Is 4 years the right length of time to revisit these folks?

**Chuck:** Yes.

**Rep. Johnson:** How about the definition of hobby. Does that need to be in here, or can that be an administrative rule?

**Chuck:** We would do it in our rule making.

Hearing closed.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2411

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: February 27, 2007

Recorder Job Number: 3937

Committee Clerk Signature

*Stephanne J Thomas*

Minutes:

**Chair Keiser** opened the hearing on SB 2411.

**Rep. Thorpe:** See proposed amendment. As I recall back when we were discussing this bill, the bill is to license the operators. Presently, they license the boilers, and the boilers are licensed for 4 years on each renewal, and so it was mentioned that once we're doing that we should license the operators also for 4 years, so that they would both expire at the same time. So, that's what this amendment will do.

**Rep. Amerman:** I move to accept the amendment.

**Rep. Johnson:** Second.

**Voice vote was taken, amendment adopted.**

**Rep. Thorpe:** I move a do pass, as amended.

**Rep. Zaiser:** Second.

**Roll call vote was taken. 14 Yeas, 0 Nays, 0 Absent, Carrier: Rep. Thorpe**

Hearing closed.



Date: 2-27-07  
Roll Call Vote #: \_\_\_\_\_

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2411

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass, As amended

Motion Made By Rep Thorpe Seconded By Rep. Zaiser

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman	X	
Vice Chairman Johnson	X		Rep. Boe	X	
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe	X	
Rep. Dosch	X		Rep. Zaiser	X	
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby	X				
Rep. Vigesaa	X				

Total Yes 14 No 0

Absent 0

Floor Assignment Rep Thorpe

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2411: Industry, Business and Labor Committee (Rep. Kelsner, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2411 was placed on the Sixth order on the calendar.

Page 2, line 2, after the underscored period insert "A hobby boiler operating license issued under this section is valid for four years."

Renumber accordingly

2007 SENATE INDUSTRY, BUSINESS AND LABOR

CONFERENCE COMMITTEE

SB 2411

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2411 Conference Committee**

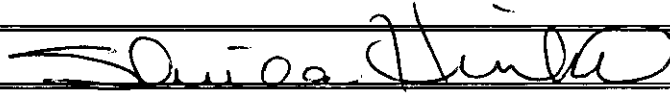
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **March 30, 2007**

Recorder Job Number: **5643**

Committee Clerk Signature



*2411 Hobby Boiler*

Present at the meeting: Chairman Hacker, S Andrist, S Behm

R Clark, R Dietrich, R Thorpe

**S Hacker:** The House was last chamber to amend the bill, the Senate had different ideas what the bill did. S Andrist sent out an email on how we are going to license these guys.

**R Dietrich:** The Senate version we didn't see a time line for the license and went 4 years, to get re-licensed, you need to have an inspection process.

**R Clark:** Was to make the operator and boiler coincide.

**R Dietrich:** The boiler operators in, they thought it would be a valid situation for renewal as it was for safety concerns.

**S Andrist:** The license is for the people, not the inspection on the boilers. The fee will be \$25 for a license or renewal, your move was necessary. We thought it was a permanent thing. Putting a period of time is necessary, so wondered if it would work for 10 years. When you learn them, (*the boilers*) you learn them. We have a threshing show in our area, and this has a potential to impact us.

**S Behm:** I'm under the impression that they have to be inspected every year.

**S Andrist:** This only is for the licensed operator. It doesn't have to do with inspections.

**S Hacker:** So you say, you would need to have your inspection and renew the license on the same time. Seeing that the technology is not changing, you would get licensed for the lifetime, then the renewal is pretty easy to come by..

**R Dietrich:** I believe the thought process was the deterioration of the old equipment, they get old, they rust.

**S Hacker:** They'll still be able to do inspection on the regular 4 year intervals?

**S Andrist:** This is just a question as to just as how often do you want to collect the \$25. It's how you write the rules.

**S Behm:** Boilers have to be inspected ever so often, I know they do. I thought it was every year.

**S Hacker:** *Read from the minutes*, S Klein in minutes asked, "do you inspect them every year?." Smokey replied , " hydrostatic, visual and ultrasound."

**S Andrist:** I would guess it would be as R Dietrich says, could be as he states, not any more often than every 4 years..

**S Hacker:** *Reads from the bill*, the bill just pertains to the licensing. I think they still have to do the licensing.

**S Behm:** I THOUGHT it was annually.

**S Andrist:** It talks about the need for instruction. The bill doesn't talk about instruction, it only talks about testing and licensing. Doesn't say you have to be TESTED every 4 years.

**S Hacker:** I think if they are licensed, they have to the knowledge to pass the test.

**R Dietrich:** Felt there should be a qualification on getting a license

**S Behm:** They got to know what they're doing.

**S Hacker:** If they failed the test, they could get a book. They can study themselves, and if they take the test and pass, they can be licensed.

**R Dietrich:** S Andrist, did you have a time in mind?

**S Andrist:** I think in the Senate we thought it was a one-time thing. Even if it was 10 years it wouldn't impair the show very much. There are so many things open in the bill that concerns me. Johnson's testimony was on being grandfathered-in and then be licensed. Then we have the "conditional" license, but we don't define what "conditional" is. Apparently this wasn't discussed in the committee.

**R Clark:** I don't remember us discussing that either. I tried to call an inspector yesterday and could not get him.

**S Hacker:** Conditional license, if you have done it in the last 10 years, you are grandfathered in.

**R Dietrich:** Spoke of non-residents would get a temporary license.

**S Andrist:** It doesn't say what "conditional" is. Either GIVE them a license or DON'T give them a license. There are people who ride the circuit who go from state to state and show to show. If they have to license elsewhere, I would like to add wording on non-resident operators. The rules may be different wherever they go. If they keep up the license in MN, whatever they require, we will let them work here.

**S Hacker:** Those who operated a boiler from now until July 1, 2007. So it really affects only new people.

**S Andrist:** I interviewed someone who traveled all summer and traveled with the circuit.

**R Clark:** Those that travel the circuit, that must be quite expensive proposition to move that equipment from state to state. Seems a \$25 license isn't much to pay. If you've been to Rolag, these aren't young guys.

**S Andrist:** They don't take them (*the boilers*) with them. They run the boilers that are on site. They would run threshing machines or saw mills.

**S Behm:** There are some that haul them on a semi. They are relatively rich people, some who aren't very old.

**S Thorpe:** Do we have an amendment offered here?

**S Hacker:** We do not at this time. We are willing to accept amendments.

**R Thorpe:** *Handed out some amendments.* There it was mentioned that the boilers are licensed and inspected every 4 years. The thought was to match them so that they can be done at the same time. Who is in charge of that?

**S Hacker:** The insurance commissioner.

**R Thorpe:** They could do it every 4 years on an operator basis.

**S Hacker:** We thought we were voting on a one-time licensure, and the amendment reads that it wasn't a one time, it was like an annual.

**R Thorpe:** Then we're really amiss on it then, because I understood it was 4 year renewal.

**S Hacker:** Yes, with the House amendment.

**S Behm:** *Read from minutes,* Chuck Johnson said, "needs to be inspected annually."

**S Andrist:** I don't think that's unnecessarily often, but people who are from other states should be grandfathered-in without going through the process here, and remove the word "conditional" as I don't know what that means, and it's not good when you put a word in that's not defined.

**R Dietrich:** "Conditional" – that would be someone who would be licensed prior to July 1, 2007, someone that is grandfathered-in.

**S Andrist:** But what does it mean? What's the difference between and LICENSE and a

CONDITIONAL LICENSE? We'd like to strike the word "conditional." I would put together some

amendments to do it as a package. There was one more I wanted to bring up. It was \$25 for the test, \$25 for the license, is that what that intends?

**R Dietrich:** It may clarify it more than anything.

**S Behm:** A license is a license. If you put "conditional" in there, it may be more confusing.

**S Andrist:** If the committee wanted, I would prepare amendments to try to get together anything we reach in consensus here and do it as a package. There is one more thing I wanted to bring up, it is \$25 for the test, and \$25 for the license, so it's \$50 bucks. Is that what the committee intends, or should be charge \$25 for the test AND license?

**R Clark:** One time for test expense.

**S Hacker:** It would be \$25.00 to take the exam. \$25 when it's a renewal, you only take the test one time. There is nothing that says why they get a renewal, no more new info, why not make it a lifetime? You would only take the test once as I understand it.

**R Thorpe:** I know some of the operators from my area, they have various owner and operators, in our area, some of the operators are getting quite aged and frail, they felt that periodically they should have to get renewal on their qualifications.

**S Hacker:** Would they retake the exam?

**R Thorpe:** The gist of what they wanted, they're getting weary and crotchety, and say, "It's my machine, I'll run the machine." It's getting hard to control, these boilers can be dangerous if they're not operated right. That's a concern.

**R Clark:** We license engineers, they take a test ONCE in their lifetime, and we make them renew it annually. The intent was one-time test and a renewal. I can see an annual renewal would be a chore, a pain. Doesn't seem 4 years is unreasonable. Technology doesn't change, but these people DO change.



**S Hacker:** I don't think they meant to renew every year. S Andrist spoke of 10 years, we're looking at an arbitrary number.

**R Clark:** Seems like an abnormally long time, 10 years.

**S Andrist:** They aren't making their living by this. It's just for renewing the license. By sending out a license doesn't make them any more competent.

**R Thorpe:** At the 4 year, they could renew the license on the boiler and see if the guy is capable for renewing the license.

**R Dietrich:** On the rules, if we put more in code, we are micromanaging. We need to figure the duration of time, 4 years, 6, 8, or 10. The non-resident license, those are the things we need to worry about and get those handled.

**S Hacker:** Time lines , the word conditional, adding the reciprocity.

**S Behm:** Sounds reasonable.

**R Dietrich:** I think S Andrist is close to this. Visit with those people you know and find out what they have to say.

**S Hacker:** Asked S Andrist will get amendments together.

***S Andrist offered to have amendments drafted to current bill.***

*Conference committee will plan to meet week of April 2 – 6.*

**CLOSE**

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2411 Conference Committee B**

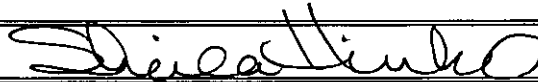
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **April 2, 2007**

Recorder Job Number: **5668**

Committee Clerk Signature



*Relating to Boiler Operator License*

SB 2411

Boiler Operator Bill

*Changing the amount of years that people are registered with a hobby license.*

**S Andrist:** *Amendments passed out. Read from the amendment. Suggested 10 years, accepted 10 years., no instruction going with renewal. Gives insurance*

I had the Legislative council draft these and had total agreement on the word conditional and also grandfathered-in those licensed in other states. We like 10 years, House version said 4 years for the length of the operating license. I put 10 years in. I think once you've learned this stuff, I think it is just a question of often you need to renew it. It is mostly a nuisance thing, but gives the insurance department the opportunity to know where they are, anyway.

**S Hacker:** The amendment would be on the 200 version, goes onto the 200 version of the bill. Suggested House recede and adopt further amendments.

**S Behm:** How about if we reach a compromise and go for 6 years?

**R Thorpe:** When you were getting these amendments drafted, was there any discussion when you went from 4 years, what the House had, to 10, on the individual that gets licensed? Is there any follow-up by the state inspector handling the licensing to see if they are able to do

what they have to do to run these boilers. As the bill came to us originally, the idea was that there were aged operators out there and reaching the end of their era running steam boilers safely, and that was the reason for the bill originally. So now if we license them for 10 years and no follow up, I don't see the bill does what the bill originally had to do with the bill unless there is some follow-up on the bill.

**S Hacker:** We've never licensed them before. The guidelines would be on the insurance commissioner. The boilers are inspected. Does the 10 years seem long?

**R Thorpe:** We're talking of the operator, right?

**S Hacker:** Yes

**R Thorpe:** When they do the boiler inspection, would they see that the operator could still function, would they have an annual or biannual renewal? Is there is no change until 10 years?

**S Hacker:** It was just to make sure they have the knowledge they need to run the equipment.

**R Thorpe:** What I heard I the hearing, they had some operators that were getting beyond their capability.

**S Hacker:** They won't be able to pass the test.

**R Thorpe:** Three years down the road, they could have a stroke.

**S Behm:** I talked to a man who is not old. The boiler is inspected every year and the owner has to be there. The inspector would have a chance to visit with them.

**R Thorpe:** I know what you're saying, if we put it in code that he has 10-year licensure, then the boiler inspector and is with the individual, how is he going to be able to make the determination that he is up-to-speed in working with this boiler and say he's ok?

**S Andrist:** There is no relationship between licensing the operator and inspecting the boiler.

The rules will be made. Ordinarily, when you license someone for the first part, is a testing, and thereafter, you renew it, they just send in the money. If there was a provision for

continuing education, but to send in \$25, I can't see that as a significant factor. To begin with, everyone is grandfathered-in for the rest of their life anyway. This is dealing with young people who want to learn the craft.

**Rep. Dietrich:** *Reviewed the renewal time line.* Questioned the amount of time. 0300. The lines on the amendment they are wrong. They are off.

**S Hacker:** When you ask for amendments, they go back to the original bill. If you look at the top left # on the amendments, 02 means the version, or they won't fit. You get the motion on the top.

**R Clark:** So we are amending .02.

**S Andrist:** Is there an 0202 bill version?

**R Clark:** That was before the House put on the amendments. The line was struck on line 2 & 3. To get this out, the house would have to remove their amendments. I think 10 years is too long. Maybe 6 years, I thought 4 was good.

**S Hacker:** Appreciate the thoughts and compromise.

**S Andrist:** I'm willing to compromise on that.

**S Behm:** The whole real problem, there was no licensing done and that's why we had this bill. That is why the bill came before us. 4,6,10, it makes no difference. We need it.

**R Dietrich:** Concerned if it was 6, would it be a renewal, want to make sure they are adequately trained, pre-July '07 people.

**R Thorpe:** The reason was that the 4 years was amended in, the boiler inspector inspects every year and the license for the boiler is renewed, then the boiler and operator can be renewed at the same time. I don't have any qualms on non-resident licenses. I think we need to make a concession to those folks to come with their equipment and come and run their

equipment. Question is, present operators may be getting (*in age*) where people would question them running the boiler. They'll have to address that later.

**S Hacker:** We never heard about 4 years on our side on inspection. Boilers are inspected every year.

**R Thorpe:** The boilers are certified every 4 years, inspected every year.

**S Andrist:** How often do they get inspected?

**S Hacker:** *Read from the written minutes from original bill. Chuck Johnson testimony.*

**S Behm:** I understand what you're saying, but the older I get, I find I'm more careful than when I was younger. In operating everything, I'm cautious. It's up to us to put on a time.

**S Andrist:** I'm hearing compromise, if it is the proper language. House would recede, we could adopt .0202 term of the license for 6 years.

**S Hacker:** The renewal probably will be sent out and they send it back in, I would hope that friends would step in. I perceive this as a community of people. If someone were not able to perform, they would take them out of harm's way.

**R Dietrich:** Good compromise. They have been taking care of themselves and been ok. It can be looked at during the next 2 years.

**S Andrist:** An accident happens in one state, (*Ohio*) and everyone has to do something.

*Consensus – Where does the liability lie if something happens? Who is liable?*

**S Hacker:** If everybody's comfortable, I think we will suggest the House recede from the House Amendments and change the amendment to show 6 years.

**Roll Called on change from 10 years to 6 years – 6-0-0 Passed & agreed**

**CLOSED**



**REPORT OF CONFERENCE COMMITTEE**

**SB 2411:** Your conference committee (Sens. Hacker, Andrist, Behm and Reps. Clark, Dietrich, Thorpe) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 759, adopt amendments as follows, and place SB 2411 on the Seventh order:

That the House recede from its amendments as printed on page 759 of the Senate Journal and page 863 of the House Journal and that Senate Bill No. 2411 be amended as follows:

Page 2, line 2, after the underscored period insert "A hobby boiler operating license issued under this section is valid for six years."

Page 2, line 11, remove "conditional"

Page 2, line 12, after the underscored period insert "An individual who is not a resident of this state and who holds a boiler operator license or credential in another state or Canadian province is exempt from licensure as a hobby boiler operator in this state."

Renumber accordingly

SB 2411 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

SB 2411



Senate Bill 2411 Summary

Save  
seven  
to House

Senator David P. O'Connell

Establishes that the fee for taking a hobby boiler operating examination is \$25.00 (*line item 24, page 1, line item 1, page 2*).

Establishes that the fee for an operating license for a hobby boiler is \$25.00 (*line items 1-2, page 2*).

Establishes that individuals that have operated hobby boilers within the state as of July 1, 2007 are considered acceptable for a *conditional license* without taking additional training or examination (*line items 7-12, page 2*).

#1  
2411

## PROPOSED LICENSING OF HOBBY BOILER OPERATORS

[Draft #4 - 10/17/2006]

- A) **Hobby Boiler:** "Hobby boiler" means any hand-fired steam boiler not exempted by the North Dakota Boiler Law operating at pressures above 15 psig and used during parades, exhibitions, and threshing shows where the public is invited.
  
- B) **License:** A four-year operating license is issued by the Chief Boiler Inspector upon successful completion of a written examination and payment of any examination and licensing fees. An operating license may be re-issued every fourth year upon payment of the license fee to the Boiler Inspection Program.
  
- C) **Written Examination:** [Required only once. No expiration.] A 100-point written examination given by the Chief Boiler Inspector at quarterly intervals or as otherwise needed. A score of 70% is considered as passing.
  
- D) **Fees:**
  - 1) A \$25 license fee, payable to the "Boiler Inspection Program", is charged initially and for any four-year renewal.
  - 2) A \$25 written examination fee, payable to the "Boiler Inspection Program", is charged for the written examination given by the Chief Boiler Inspector
  
- E) **Qualifications for Examinations:**
  - 1) Any person requesting an operating license, other than one qualifying per the "grandfather" clause noted below, must document 120 hours of operating and/or firing apprenticeship with a hobby boiler. This apprenticeship must be signed by a duly licensed operator and notarized. Attendance at an approved training seminar may be substituted for up to 40 hours of operating and/or firing experience at the discretion of the Chief Boiler Inspector. The person requesting an operating license must be at least 18 years of age.
  - 2) "Grandfather" clause: Any person regularly operating a hobby boiler in North Dakota at the time this licensing requirement is approved may be given an operating license upon application and upon payment of the license fee.
  - 3) Reciprocity: Hobby boiler operators with valid licenses from other states and provinces may be given a one-time two-year provisional operating license at the discretion of the Chief Boiler Inspector and upon payment of the license fee. Thereafter, all qualifications for examination must be met and the written examination must be completed and any fees paid before a regular operating license will be issued.

**F) Attendance Requirements:**

- 1) Two operators, or an operator and an apprentice, are required on any hobby boiler during parades, plowing demonstrations, and for belt operation. Miniature boilers are excluded from this requirement.
- 2) A licensed operator is required to be in attendance on a hobby boiler any time the steam pressure is above 15 psig and rising, unless all of the following situations apply:
  - a) the water level is at least one-third level in the gage glass,
  - b) the fire is extinguished or banked,
  - c) the draft door(s) are closed,
  - d) the main steam outlet valve (dome valve) is closed, and
  - e) the boiler pressure is at least 20 psig below the safety valve set pressure and decreasing.

**G) Revocation of an Operating License.** An operating license may be revoked by the Chief Boiler Inspector for the following serious situations:

- 1) Endangerment of the public by negligent operation of a hobby boiler, to include alcohol and/or illegal substance abuse during hobby boiler operation where the public is invited.
- 2) Violation of the attendance requirements listed above.
- 3) General agreement by a majority of a show's licensed operators that an operator is no longer capable of safe operation due to extreme carelessness, age and/or health considerations.
- 4) Any license revocation may be appealed to the Commissioner of Insurance.

**H) Application of Rules – Effective Date:**

These rules covering the licensing of hobby boiler operators will become effective January 1, 2008 and will cover any individuals operating hobby boilers at threshing shows, exhibitions and parades where the public is invited.

POSSIBLE CENTURY CODE CHANGES:

**26.1-22.1-09. Inspection and certificate fees.** Upon completion of inspection, the owner or user of a boiler shall pay to the commissioner fees or a combination of inspection and certificate fees. Inspection fees must be determined by the commissioner. Certificate fees are determined by section 26.1-22.1-10. The commissioner must determine and may annually adjust a fee scale for the internal inspections of power boilers, internal inspections of low pressure heating boilers, external inspections of all boilers, and inspection of boilers used exclusively for exhibition purposes.

Not more than one hundred fifty dollars may be charged or collected for any one inspection of a boiler except for special inspections made upon request. Not more than seventy-five dollars may be charged or collected for any one inspection of a steam traction engine except for special inspections made upon request. All other inspections made by the chief boiler inspector, including shop inspections and reviews and special inspections when requested by the owner or user of a boiler, must be charged at a rate not to exceed three hundred fifty dollars per day or two hundred dollars per half day of four hours or less, plus payment for mileage, meals, and hotel expenses as allowed by sections 44-08-04 and 54-06-09, except that the mileage rate for a state-owned vehicle will be the actual amount incurred by the commissioner. The annual fee for the issuance of a reciprocal commission card for a special inspector is twenty-five dollars and the annual fee for the issuance of a welder-qualified card is ten dollars. **The fee for taking an examination for a hobby boiler operating license is twenty-five dollars and the fee for a hobby boiler operating license is twenty-five dollars.**

Source: S.L. 1993, ch. 301, § 9; 1995, ch. 276, § 4.

**Effective Date.**

The 1995 amendment of this section by section 4 of chapter 276, S.L. 1995 became effective on July 1, 1995, pursuant to N.D. Const., Art. IV, § 13.

**26.1-22.1-14. Rules - Penalty for violation - Hearing.** The commissioner shall adopt rules for the safe and proper installation, use, operation, and inspection of boilers and pressure vessels subject to this chapter. **The commissioner shall adopt rules for the licensing of operators of hobby boilers used during parades, exhibitions, and threshing shows where the public is invited. A fee shall be charged for an operating license, for any license renewal, and for any examination(s) conducted to determine minimum competence. Persons now operating hobby boilers within North Dakota shall be considered as acceptable for a license without additional training or examination.** The commissioner may not issue a certificate of inspection to any owner or user of a boiler who fails or refuses to comply with those rules. The commissioner shall revoke any certificate presently in force upon evidence that the owner or user of the boiler is failing or refusing to comply with the rules.

Any owner or user of a boiler may request a hearing before the commissioner within fifteen days from service of an order refusing or revoking a certificate of inspection. It is the burden of the owner or user to show cause why the certificate of inspection should not be refused or revoked. If no hearing is requested within the required period, the order of the commissioner becomes final and is not subject to further proceedings.

Source: S.L. 1993, ch. 301, § 14.