

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 15:080

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the fees, standards, and forms incident to the licensing of boiler and pressure vessel contractors, owner facilities, owner's piping inspectors, and independent inspection agencies.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the application and fee requirements for applicants for a boiler and pressure vessel contractor license, an owner facilities license, owner's piping inspector license, and an independent inspection agency license.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 236.030 requires the commissioner to promulgate administrative regulations that establish reasonable standards for the safe construction, installation, inspection, and repair of boilers, pressure vessels, and associated pressure piping in Kentucky. KRS 236.097 establishes criteria and fees for the issuance of owner facility, owner's piping inspector, and independent inspection agency licenses, and authorizes the department to develop the applications required for the issuance and renewal of these licenses. KRS 236.210 requires the commissioner to promulgate administrative regulation for reasonable fees for a boiler and pressure vessel license.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the statutorily mandated application and fee requirements for applicants for a boiler and pressure vessel contractor license, an owner facilities license, owner's piping inspector license, and an independent inspection agency license.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This regulatory amendment establishes Class A, B, and C boiler and pressure vessel contractor licenses, along with appropriate examination requirements. The amendment also establishes appropriate licensing fees and renewal procedures. The amendment establishes representation restrictions on contractors.

(b) The necessity of the amendment to this administrative regulation: The practical realities of boiler and pressure vessel work require tiered licensing to more fairly represent those levels. Multi-class licensing more fairly represents the contractors' scope of work and technical knowledge.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment helps establish the fees, standards, and forms incident to the licensing of boiler and pressure vessel contractors, owner facilities, owner's piping inspectors, and independent inspection agencies.

(d) How the amendment will assist in the effective administration of the statutes: This amendment makes the administrative regulation easier to understand and establishes appropriate boiler and pressure vessel contractor types to ensure public safety.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments

affected by this administrative regulation: Individuals engaged in the boiler and pressure vessel industry, and Department of Housing, Buildings and Construction personnel.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

- (a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: Currently licensed boiler and pressure vessel contractors will be grandfathered in under this regulation and will simply need to continue renewing their licenses yearly and paying the appropriate licensure fees. Applicants for a boiler and pressure vessel contractor license will need to take an examination and otherwise fulfill the application requirements.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): Applicants for Class A licenses shall pay a \$250 initial license and renewal fee. Applicants for Class B licenses shall pay a \$200 initial license and renewal fee. Applicants for Class C licenses shall pay a \$100 initial license and renewal fee. Candidates for examination shall pay \$150 to take the Class A examination, \$100 to take the Class B examination, and \$50 to take the Class C examination.
- (c) As a result of compliance, what benefits will accrue to the entities identified in question (4): All individuals in the boiler and pressure vessel industry will gain the benefits of well-qualified and appropriately certified boiler and pressure vessel contractors. This will increase workplace safety and the safety of the public at large.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There are no anticipated initial costs to administer this regulatory amendment.

(b) On a continuing basis: There are no anticipated continuing costs to administer this regulatory amendment.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Any department costs of implementation will be met with existing department funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Yes, this regulation establishes fees.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes, this regulation establishes fees for examination, licensure, and re- licensure.

(10) TIERING: Is tiering applied? Yes, tiering is applied. Class A licensees pay the most for their examinations and licenses, because they are the most qualified and will have the ability to perform all boiler and pressure vessel contracting. Class B licensees pay middle tier fees, because they will have the ability to perform contracting services on middle-tier boilers and pressure vessels. Finally, Class C licensees pay the least in fees, because they will only be allowed to perform contracting services on pressure vessels.

## FISCAL IMPACT STATEMENT

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(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. This regulation is authorized and required by KRS 236.030, 236.097, and 236.210.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: This regulation is required by KRS 236.030, 236.097, and 236.210.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Department of Housing, Buildings and Construction, Division of Plumbing, Boiler Inspection Section.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: The existing boiler contractor exam is free and the license is \$250 for all applicants. Depending on which applicants will apply for certain licenses, the department's revenue may increase or decrease. It is anticipated that revenues will likely be neutral, because some applicants will apply for lower-tier licenses and others will pay more for higher-tier licenses.

For subsequent years: Revenues may fluctuate slightly from year to year, depending on what types of licenses people apply for in any given year.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no anticipated local entities that will be affected by this regulatory amendment.

(b) Estimate the following for each affected entity identified in (4)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): Existing boiler contractors and those seeking licensure.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: Currently licensed contractors will pay renewal fees of \$250 for a Class A license, \$200 for a Class B license, and \$100 for a Class C license. Unlicensed individuals who want to become contractors will pay the same fees, but they will also pay examination fees as follows: \$150 for a Class A license, \$100 for a Class B license, and \$50 for a Class C license.

For subsequent years: Expenditures may fluctuate slightly from year to year, depending on what types of licenses people apply for in any given year.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: Currently-licensed contractors who elect to go to a lower tier of licensure could save up to \$150 annually on their license renewal.

For subsequent years: Currently-licensed contractors who elect to go to a lower tier of licensure could save up to \$150 annually on their license renewal.

(6) Provide a narrative to explain the following for each entity identified in (3)(1), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: Please see the responses to questions (2), (3), and (4) above.

(b) Methodology and resources used to reach this conclusion: Please see the responses to questions (2), (3), and (4) above.

(6) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This regulation will not have a major economic impact as defined by 13A.010(14).

(b) The methodology and resources used to reach this conclusion: Depending on which applicants will apply for certain licenses, the department’s revenue may increase or decrease slightly. It is anticipated that revenues will likely be neutral, because some applicants will apply for lower-tier licenses and others will pay more for higher-tier licenses.

## SUMMARY OF MATERIALS INCORPORATED BY REFERENCE

Form PLB-BPV-1, "Boiler and Pressure Vessel Contractor License Application," April 2025 is a 1 page document used by boiler and pressure vessel contractors to apply for licensure in the department.

Form PLB-BPV-5 "Boiler and Pressure Vessel Contractor Examination Registration" April 2026 is a 1 page document that captures biographical information needed to register for a Class A, B, or C boiler and pressure vessel contractor exam.

## SUMMARY OF CHANGES TO MATERIALS INCORPORATED BY REFERENCE

Form PLB-BPV-1, "Boiler and Pressure Vessel Contractor License Application" has been amended to require birthdate instead of month and allow applicants for initial licensure and renewal the option to choose what classification of license they are applying for or renewing.