

Office of Regulatory Management
Economic Review Form

Agency name	Department of Labor and Industry
Virginia Administrative Code (VAC) Chapter citation(s)	16 VAC 25-50
VAC Chapter title(s)	Boiler and Pressure Vessel Regulation
Action title	Periodic Review
Date this document prepared	February 16, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

NOTE: This regulation is mandated by the Boiler and Pressure Vessel Safety Act (the Act) at Va. Code §§ 40.1-51.6. The scope of the mandate is that “no boiler or pressure vessel which does not conform to the rules and regulations of the (Safety and Health Codes) Board governing new construction and installation and which has been certified by the Board shall be installed or operated in this Commonwealth after twelve months from July 1, 1973.” Exemptions from the Act are contained in Va. Code § 40.1-51.8.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. Indirect Costs: Describe the indirect costs of the proposed change. Direct Benefits: Describe the direct benefits of this proposed change here. Indirect Benefits: Describe the indirect benefits of the proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(5) Information Sources	Not applicable.	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Describe the direct costs of this proposed change here. Indirect Costs: Describe the indirect costs of the proposed change. Direct Benefits: Describe the direct benefits of this proposed change here. Indirect Benefits: Describe the indirect benefits of the proposed change.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	

(4) Other Costs & Benefits (Non-Monetized)	Not applicable.
(5) Information Sources	Not applicable.

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(5) Information Sources	Not applicable.	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<ul style="list-style-type: none"> • Direct Costs: Describe the direct costs of this proposed change here. • Indirect Costs: Describe the indirect costs of the proposed change. • Direct Benefits: Describe the direct benefits of this proposed change here. • Indirect Benefits: Describe the indirect benefits of the proposed change. <p>The regulation neither disproportionately affects particular localities, nor affects costs for local governments, unless and to the extent that a local government operates boiler and pressure vessels in their workplace and would be required to follow the boiler and pressure vessel safety and health standards included in this regulation and be subject to inspections by DOLI, special inspectors employed by insurance companies (see <u>Va. Code § 40.1-51.9</u>), or contract fee inspectors (see <u>Va. Code § 40.1-51.9:2</u>).</p> <p>The benefit of the regulation is to ensure safety and health standards for the health of Virginians due to exposure to boiler and pressure vessel hazards in covered buildings and avoid or eliminate catastrophic boiler failures and other malfunctions that would otherwise result in damages to infrastructure and injuries/illnesses to the general public.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) See (1) above.</p>	<p>(b) See (1) above.</p>
<p>(3) Other Costs & Benefits (Non-Monetized)</p>	<p>As referenced above, local government workplaces are subject to the boiler and pressure vessel safety standards and inspections included in this regulation. If a DOLI/special inspector/contract fee inspection uncovers safety or health hazards and violations, the local government would be required to take the steps and improvements necessary to correct the hazards.</p>	
<p>(4) Assistance</p>	<p>Not applicable.</p>	
<p>(5) Information Sources</p>	<p>Virginia Administrative Code - Title 16. Labor And Employment - Agency 25. Safety And Health Codes Board - Chapter 50. Boiler and Pressure Vessel Regulations</p>	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<ul style="list-style-type: none"> • Direct Costs: Describe the direct costs of this proposed change here. • Indirect Costs: Describe the indirect costs of the proposed change. • Direct Benefits: Describe the direct benefits of this proposed change here. • Indirect Benefits: Describe the indirect benefits of the proposed change. <p>Va. Code § 40.1-51.8.2 provides that the Act does not apply to boilers or fired or unfired pressure vessels used in or on the property of private residences or apartment houses of less than four apartments.</p> <p>The regulation should not result in any costs to families except to the extent that the family is exposed to boiler and pressure vessels safety or health issues associated with apartment houses with five or more apartments (e.g., boiler malfunctions that result in the loss of hot water or heat, or which suffer a catastrophic failure which impacts apartment dwellers or their property). Such costs in many cases would be covered by private insurance of either the owner of the building or the renter.</p> <p>It has a very positive influence on family stability and autonomy by protecting the public safety and health in large apartment buildings, the workplace, and other public buildings such as schools or churches where members of a family may congregate.</p> <p>See benefits listed in Table 2 above.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p> <p>(a) See (1) above.</p>	<p>Direct & Indirect Benefits</p> <p>(b) See (1) above.</p>
<p>(3) Other Costs & Benefits (Non-Monetized)</p>	<p>See (1) above.</p>	
<p>(4) Information Sources</p>	<p>Virginia Administrative Code – Title 16. Labor And Employment – Agency 25. Safety And Health Codes Board – Chapter 50. Boiler and Pressure Vessel Regulations</p>	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<ul style="list-style-type: none"> • Direct Costs: Describe the direct costs of this proposed change here. • Indirect Costs: Describe the indirect costs of the proposed change. • Direct Benefits: Describe the direct benefits of this proposed change here. • Indirect Benefits: Describe the indirect benefits of the proposed change. <p>A small business that operates or installs a boiler and pressure vessel covered by the Act is subject to being inspected by DOLI/special inspectors/contract fee inspectors. If violations are cited, they could result in penalties being issued. The contractor would also be required to correct the violations and incur any associated expenses, which would not normally be passed along to the customer.</p> <p>A small business that operates or installs boiler and pressure vessels would experience any costs associated with a DOLI/special inspector/contract fee inspector inspection of its boiler and pressure vessel.</p> <p>See costs and benefits listed in Table 2 above.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) See (1) above.</p>	<p>(b) See (1) above.</p>
<p>(3) Other Costs & Benefits (Non-Monetized)</p>	<p>To the extent that the DOLI/special inspector/contract fee inspector inspection delays installation and operations of a boiler and pressure vessel, the business could experience a delay in use of the boiler and pressure vessel.</p>	
<p>(4) Alternatives</p>	<p>The regulation is mandated by the Act at <u>Va. Code §§ 40.1-51.6</u>. The scope of the mandate is that “no boiler or pressure vessel which does not conform to the rules and regulations of the (Safety and Health Codes) Board governing new construction and installation and which has been certified by the Board shall be installed or operated in this Commonwealth after twelve months from July 1, 1973.” Exemptions from the Act are contained in <u>Va. Code § 40.1-51.8</u>.</p>	
<p>(5) Information Sources</p>	<p>Virginia Administrative Code - Title 16. Labor And Employment - Agency 25. Safety And Health Codes Board - Chapter 50. Boiler and Pressure Vessel Regulations</p>	

Changes to Number of Regulatory Requirements

DOLI does not know which sections will be modified, since the periodic review will be producing information as to what changes, if any, are warranted. DOLI will update Table 5 with precise numbers if and when it proceeds with a change to the Chapter at issue.

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
Grand Total of Changes in Requirements:					(M/A):
					(D/A):
					(M/R):
					(D/R):

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).

OLD ECONOMIC REVIEW FORM

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed. In the last row, indicate the total number for each column.

Table 5: Total Number of Requirements

Chapter number	Number of Requirements			
	Initial Count	Additions	Subtractions	Net Change
16VAC25-50-10	0			
16VAC25-50-15	1			
16VAC25-50-20	9			
16VAC25-50-30	11			
16VAC25-50-40	5			
16VAC25-50-50	9			
16VAC25-50-60	1			
16VAC25-50-70	12			
16VAC25-50-80	1			
16VAC25-50-90	5			

16VAC25-50-100	2			
16VAC25-50-110	6			
16VAC25-50-120	10			
16VAC25-50-130	1			
16VAC25-50-140	5			
16VAC25-50-150	6			
16VAC25-50-160	0			
16VAC25-50-170	3			
16VAC25-50-180	2			
16VAC25-50-190	2			
16VAC25-50-200	1			
16VAC25-50-210	2			
16VAC25-50-220	5			
16VAC25-50-230	1			
16VAC25-50-240	2			
16VAC25-50-250	1			

16VAC25-50-260	4			
16VAC25-50-270	4			
16VAC25-50-280	7			
16VAC25-50-290	3			
16VAC25-50-300	1			
16VAC25-50-310	5			
16VAC25-50-320	2			
16VAC25-50-330	2			
16VAC25-50-340	1			
16VAC25-50-350	1			
16VAC25-50-360	78			
16VAC25-50-370	66			
16VAC25-50-380	15			
16VAC25-50-390	3			
16VAC25-50-400	2			
16VAC25-50-410	3			

16VAC25-50-420	4			
16VAC25-50-430	2			
16VAC25-50-440	8			
16VAC25-50-445	2			
16VAC25-50-450	3			
16VAC25-50-460	7			
16VAC25-50-470	1			
16VAC25-50-480	4			
16VAC25-50-490	1			
16VAC25-50-500	4			
16VAC25-50-510	3			
16VAC25-50-520	2			
16VAC25-50-530	4			
16VAC25-50-540	1			
16VAC25-50-550	1			
16VAC25-50-560	1			

16VAC25-50-570	0			
TOTAL	348			