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Periodic Review and Small Business Impact Review Report of Findings

Agency name	Department of Labor and Industry
Virginia Administrative Code (VAC) Chapter citation(s)	16VAC25-55
VAC Chapter title(s)	**Financial Responsibility of Boiler and Pressure Vessel Contract Fee Inspector.**[1]
Date this document prepared	June 6, 2025

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Acronyms and Definitions

Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

[1] https://townhall.virginia.gov/L/ViewPReview.cfm?PRid=2541

The Safety and Health Codes Board is authorized by Title 40.1-51.9:2 C of the Code of Virginia to, "…promulgate regulations requiring contract fee inspectors, as a condition of their doing business in the Commonwealth, to demonstrate financial responsibility sufficient to comply with the requirements of this chapter. Regulations governing the amount of any financial responsibility required by the contract fee inspector shall take into consideration the type, capacity and number of boilers or pressure vessels inspected or certified."

Alternatives to Regulation

Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.

The Department of Labor and Industry did not consider any alternatives to this regulation because it is mandated by state law.

Public Comment

Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency's response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

No public comments were received on this regulation during the public comment period which began on August 26, 2024, and ended on September 16, 2024. The agency and the Safety and Health Codes board did not establish an informal advisory group for the purpose of assisting in the periodic review.

Effectiveness

Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in the ORM procedures, including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.

By requiring contract fee inspectors to provide annual proof of indemnification, this regulation protects small business owners of boiler and pressure vessels by providing proof that contract fee inspectors have indemnified these owners against losses caused by negligent inspection and certification.

Although contract fee inspectors will have to invest a small portion of time in copying and mailing a certificate of insurance or proof of other indemnification, the regulation is not overly complex and does not overlap, duplicate or conflict with federal or state law or regulation. Contract fee inspectors must also pay related copy and postage costs, but these are relatively small. This regulation provides flexible options for contract fee inspectors and minimizes, to the greatest extent possible, the impact on the regulated community.

This regulation is not overly complex and does not overlap, duplicate, or conflict with federal or state law or regulation. The regulation is clearly written and easily understandable.

Decision

Explain the basis for the promulgating agency's decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).

If the result of the periodic review is to retain the regulation as is, complete the ORM Economic Impact form.

At the Safety and Health Codes Board meeting held on March 19, 2025, the SHCB approved DOLI's recommendation to retain the regulation without change.

Small Business Impact

As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

This regulation has no real impact on small businesses and does not overlap, duplicate or conflict with federal or state law or regulation.