

STATEMENT OF SCOPE

Department of Commerce

Rule No. : Chapter Comm 2

Relating to Boiler Program Fees

:

1. Description of the objective of the rule.

The objective of the rule is to adjust the boiler program fees so that the revenues collected will cover the department's administration and enforcement costs, and private contractor's costs for inspections conducted on behalf of the department.

2. Description of existing policies relevant to the rule and of new policies proposed to be included in the rule and an analysis of policy alternatives.

Section 101.19, Stats., requires the department to fix and collect fees by rule which shall, as closely as possible, equal the cost of providing services such as plan examination, inspections, and certification of inspectors. The Department's fees for the boiler program inspection services are contained in chapter Comm 2. The last revision to these fees was initiated in 1999 and went into effect in 2000. At that time, the boiler inspection fees were set at levels that did not cover the cost of providing the inspection services. Fees for permits to operate were set at levels that would allow underwriting of the boiler inspection services provided by the department. This underwriting discourages private contractors from providing the inspections because by contract they cannot charge more than the artificially low inspection fees charged by the department.

This code project will analyze lowering the permit to operate fees and increasing the inspection fees so that both the department's costs and private contractor's costs are covered.

The alternative of not adjusting the boiler program fees will result in the loss of private contractors performing boiler inspections because they cannot recover their actual costs of providing the inspections.

3. Statutory authority for the rule.

Section 101.19 (1) (b), Stats.

4. Estimate of the amount of time that state employees will spend to develop the rule and of other resources necessary to develop the rule.

The department estimates that it will take approximately 100 hours to develop this rule. This time includes research and analysis in preparing a fiscal estimate, then drafting the rule and processing the rule through public hearings, legislative review and adoption. The department will assign existing staff to develop the rule. There are no other resources necessary to develop the rule.

5. Description of all of the entities that will be affected by the rule.

The rule will affect any entity that owns an object that receives an inspection and a permit to operate under the boiler program. The rule will also affect a private contractor that currently provides, or that proposes to provide, boiler program inspections.

6. Summary and preliminary comparison of any existing or proposed federal regulation that is intended to address the activities to be regulated by the rule.

There is no existing or proposed federal regulation that addresses the activities to be regulated by the rule.

Approved for publication in the Wisconsin Administrative Register at Madison, Wisconsin, this date: _____

DEPARTMENT OF COMMERCE

Mary P. Burke, Secretary

Approved for implementation at Madison, Wisconsin, this date: _____

DEPARTMENT OF COMMERCE

Mary P. Burke, Secretary