Proposed Amendments to Boiler Fee Rules

Rule Citation: 13 NCAC 13 .0101, .0203, .0210, and .0213

Rule Topic: Definitions

DOL Division: Boiler Safety Bureau

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Impact:

State:	Yes
Local:	Yes
Substantial:	Yes
Private:	Yes

Authority: G.S. 95-69.11

1. Executive Summary

The proposed amendments revise the fee structure applicable to boiler and pressure vessel inspections and related regulatory activities conducted by the North Carolina Department of Labor, Boiler Safety Bureau. The Bureau operates as a receipt-supported program and relies entirely on fees associated with inspections, certifications, audits, and related services to fund its operations.

The proposed rule increases selected fees across multiple categories, including inspection fees, certificate fees, special inspection hourly rates, audit fees, and fees associated with inspector commissions. The Department intends for the base fee amendments to become effective as soon as legally permissible following completion of the rulemaking process. Because the precise effective date cannot be known at this stage, this analysis does not assume a specific calendar effective date. Future annual fee adjustments would be made using the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index methodology described below, subject to a floor of zero percent so that fees do not decrease in a deflationary period.

Using SFY 2026 closeout data and projections, the proposed fee changes are estimated to produce a full-year annualized increase in fee collections of approximately $584,548 at current activity levels. The actual impact during the fiscal year in which the amendments become effective will depend on the effective date and will be proportionately lower than the full-year amount if the amendments take effect after the beginning of a fiscal year. For purposes of evaluating the five-year economic impact without assuming a specific effective date, the analysis uses five annualized years beginning with implementation and applies a 2.5 percent annual CPI growth assumption solely for projection purposes. On that basis, the illustrative five-year aggregate fee impact is approximately $3.07 million. Discounted at seven percent, the net present value of the illustrative five-year impact is approximately $2.51 million. Annual administrative implementation costs associated with the CPI calculation are expected to be de minimis and do not materially affect these totals.

Because the aggregate impact exceeds one million dollars over a five-year period, the proposed rule constitutes a substantial economic impact as defined by G.S. § 150B-21.4.

2. Statutory Authority and Regulatory Framework

NCDOL has statutory authority pursuant to the Uniform Boiler and Pressure Vessel Act, Article 7A, and Historical Boilers, Article 7B of Chapter 95 of the NC General Statutes, to inspect boilers and pressure vessels in the State of North Carolina and to regulate the construction, operation, and use of boilers and pressure vessels, to include historical boilers.

The Boiler Safety Bureau is responsible for enforcing the Uniform Boiler and Pressure Vessel Act and associated administrative rules. The Bureau's statutory mandate requires it to ensure that boilers and pressure vessels are installed, operated, and maintained in a manner that protects public safety.

In carrying out this mandate, the Bureau performs inspections, issues certificates of operation, conducts audits of inspection agencies, and administers inspector commission programs. These functions are essential to preventing equipment failures, explosions, and other hazardous conditions that may result from improper operation or maintenance of regulated equipment.

Unlike many regulatory programs, the Boiler Safety Bureau operates as a receipt-supported program and does not receive direct appropriations from the State's General Fund. As a result, the Bureau must generate sufficient revenue through fees to support all aspects of its operations, including personnel, travel, equipment, training, and administrative support.

Pursuant to G.S. § 95-69.11 of the Uniform Boiler and Pressure Vessel Act, the Commissioner of Labor is empowered to establish reasonable fees for the inspection and issuance of inspection certificates for boilers and pressure vessels that are in use, and to establish reasonable fees for the examination and certification of inspectors.

3. Program Operations and Cost Structure

The Bureau's operations involve a combination of field inspections, administrative processing, and oversight activities. Inspectors travel throughout the State to conduct inspections at a wide range of facilities, including industrial plants, hospitals, schools, commercial buildings, and government facilities.

Inspection activities require significant amounts of time and resources, including travel time, inspection preparation, on-site evaluation, documentation, and follow-up actions. In addition, the Bureau must maintain administrative staff to process certificates, manage records, coordinate scheduling, and ensure compliance with statutory and regulatory requirements.

The cost structure of the Bureau is influenced by personnel costs, fuel and travel expenses, training requirements, equipment costs, administrative overhead, and other costs necessary to support statewide inspection activity. The reference to changing operational demands does not mean that the statutory inspection frequency or inherent complexity of the inspections has materially changed. Rather, the financial resources required to sustain the existing inspection program have changed as a result of inflation and increases in the Bureau's actual personnel and operating costs. Between SFY 2021 and SFY 2026, total personnel and non-personnel costs increased by approximately $298,620.

Inspection workload also varies from year to year based on the number and type of regulated boilers and pressure vessels, new installations, follow-up inspections, special inspections, audits, and the extent to which certificate inspections are performed by commissioned insurance inspectors. SFY 2025 fee data reflect approximately 29,389 insurance-inspector certificate transactions out of 47,516 total fee-bearing transactions. Although insurance inspectors perform a substantial portion of certificate inspections, the Bureau remains responsible for direct State inspections, certificate processing, oversight of commissioned inspectors and authorized inspection agencies, audits, follow-up and special inspections, and the administration of the statewide safety program. The proposed fee adjustments are intended to ensure that those existing responsibilities can continue without reducing inspection coverage or creating an inspection backlog.

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4. Description of Affected Parties

The proposed rule affects a broad range of entities that own or operate boilers and pressure vessels in North Carolina. These entities include private businesses, manufacturing facilities, commercial property owners, healthcare providers, educational institutions, and other organizations that rely on regulated equipment as part of their operations.

The rule also affects State agencies and local governments that own or operate boilers and pressure vessels in public buildings and facilities. In addition, insurance companies performing inspections, as well as individuals seeking or maintaining inspector commissions, are affected by the proposed changes.

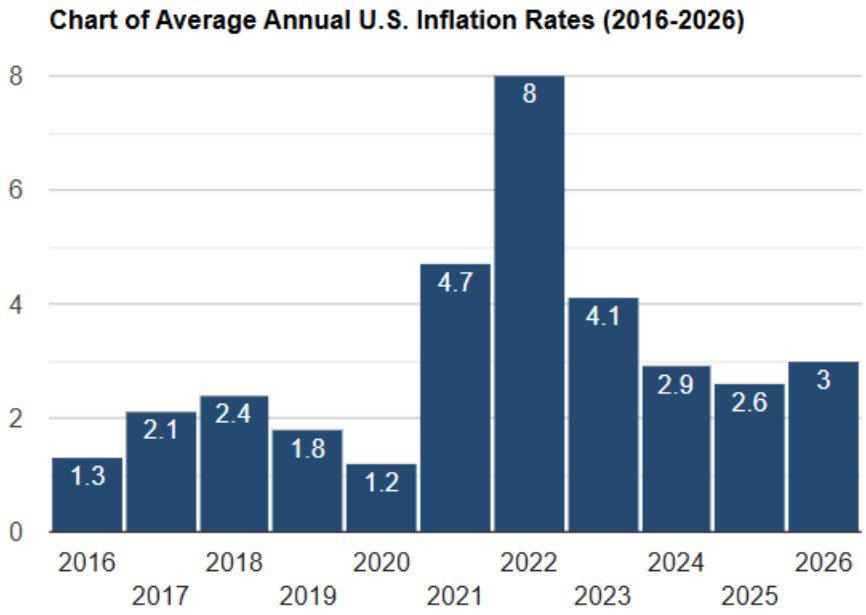
Because the regulated equipment is widely distributed across sectors, the economic impact of the proposed rule will be distributed across a diverse group of stakeholders. However, the private sector is expected to bear the majority of the impact due to its larger share of regulated equipment.

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5. Baseline and Post-Implementation Conditions

Under the current regulatory framework, fees for inspections, certifications, and related services are established by existing administrative rules. These fees are applied uniformly to regulated entities and serve as the primary source of funding for the Bureau’s operations.

Under the proposed amendments, fees will increase across multiple categories. These increases will directly affect the cost of obtaining inspections, certificates, and related services. In addition, the rule establishes a mechanism for future adjustments based on changes in the Consumer Price Index, which will allow fees to increase gradually overtime in response to inflation as indicated in the following chart.



The transition from the current fee structure to the proposed fee structure represents a shift in the cost of compliance for regulated entities. This shift is necessary to ensure that the Bureau can continue to operate effectively and fulfill its statutory responsibilities.

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6. Impact on Local Governments

The proposed amendments will have a direct fiscal impact on local governments that own or operate boilers and pressure vessels subject to inspection under the Uniform Boiler and Pressure Vessel Act. Local governments, including counties, municipalities, and public school systems, commonly utilize boilers and pressure vessels in facilities such as government buildings, schools, detention facilities, and public utility infrastructure.

There are approximately 4,100 boilers and pressure vessels owned by local governments or municipalities that are subject to annual inspection. When compared to the estimated total population of regulated equipment statewide, this represents a meaningful but minority share of the total inspection base.

Based on the updated fee-by-category analysis, the full-year annualized impact attributable to local, municipal, and county entities is approximately $82,550. Applying the same sector share to the illustrative five-year annualized projection, including projected CPI adjustments, produces an estimated five-year local-government impact of approximately $433,910. The actual impact during the initial fiscal year will depend on the effective date, and actual impacts will vary according to the number and type of regulated devices owned by each jurisdiction and the mix of State and insurance inspections.

This estimate is intended to provide a reasonable approximation of local government impact and is subject to variation depending on the specific mix of equipment types, inspection categories, and facility characteristics within individual jurisdictions. Larger jurisdictions with extensive building inventories or public utility operations may experience higher aggregate costs, while smaller jurisdictions may experience relatively limited impacts.

The increased costs associated with the proposed rule are incremental and tied to recurring safety inspections and certification activities. The Department recognizes that even moderate increases affect public budgets. The purpose of the increase, however, is to maintain the inspection capacity necessary to satisfy existing safety responsibilities rather than to expand the scope or frequency of required inspections.

In addition to the direct fiscal impact, the proposed amendments provide indirect benefits to local governments by supporting the continued operation of a stable and effective inspection program. Ensuring adequate funding for the Boiler Safety Bureau allows for consistent inspection coverage, timely issuance of certificates, and effective enforcement of safety standards. These benefits contribute to the safe and reliable operation of publicly owned equipment and reduce the risk of equipment failure, service disruption, or safety incidents that could result in significantly higher costs.

Overall, the proposed amendments will increase costs for local governments that own or operate regulated equipment, but those costs are distributed across a large number of regulated devices and support the continued availability of timely inspections and certificates. Maintaining adequate inspection capacity also reduces the risk of delayed inspections, service disruptions, and unaddressed equipment conditions that could create substantially greater safety and financial consequences.

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7. Cost Analysis and Methodology

The Department estimated the fiscal impact of the proposed rule using the updated SFY 2026 closeout information and recent inspection and fee-volume data maintained by the Boiler Safety Bureau. SFY 2025 transaction volumes provide the primary activity baseline for estimating the effect of the proposed fee schedule, while actual SFY 2026 expenditures and receipts are used to establish the Bureau's current financial position.

For each fee category, the analysis compares collections under the current fee with estimated collections under the proposed fee at the same activity level. The State, federal, local, and private impact columns allocate only the incremental difference attributable to the proposed rule, and therefore sum to the total Difference column. Future-year projections incorporate the updated expenditure and receipt information provided by the Bureau and compound the assumed CPI adjustments rather than holding the fee impact constant from year to year.

NCDOL proposes to increase selected boiler and pressure vessel fees in the rules included with this analysis. Most of the fee structure has not increased since 2015, with limited adjustments to selected fees in 2022. The Bureau is entirely receipt-supported. The Department's objective is to establish a fee structure that supports existing inspection obligations, preserves approximately 60 days of operating cash on hand as a prudent continuity reserve, and reduces the need for large, episodic fee increases. The 60-day reserve is not intended as surplus revenue for program expansion; it is intended to provide sufficient working capital to continue statewide inspection operations despite normal timing differences and variability in receipts and expenditures.

7.1 Estimated Impact by Category

Boiler Fee Title	Number of Items Collected SFY-25	Current Fee Rate	Amount of Fees Collected SFY-25	Proposed Fee Rate	Revenue Generated After Fee Increase	Difference	State Impact	Federal Impact	Local, Municipal County Impact	Private Impact
Boiler CERT EXT Insp (less than 500/Cast Iron/Coil/Water Htr)	3,658	$50	$182,900	$70	$256,060	**$73,160**	$3,980	$1,040	$21,200	$46,940
Boiler CERT EXT Inspection (5,000+)	10	$330	$3,300	$462	$4,620	**$1,320**	$0	$0	$396	$924
Boiler CERT EXT Inspection (500-4,999)	156	$120	$18,720	$168	$26,208	**$7,488**	$480	$96	$2,448	$4,464
Boiler CERT INT Inspection (5,000+)	30	$600	$18,000	$840	$25,200	**$7,200**	$240	$0	$3,360	$3,600
Boiler CERT INT Inspection (500-4,999)	194	$235	$45,590	$329	$63,826	**$18,236**	$0	$752	$1,222	$16,262
Boiler CERT INT Inspection (Cast Iron All Sizes)	-	$80	$0	$112	$0	**$0**	$0	$0	$0	$0
Boiler CERT INT Inspection (less than 500/Coil/Water Htr)	230	$85	$19,550	$119	$27,370	**$7,820**	$102	$0	$136	$7,582
Boiler N-CERT EXT Insp (less than 500 Cast Iron/Coil/Water Htr)	278	$50	$13,900	$70	$19,460	**$5,560**	$40	$60	$260	$5,200
Boiler N-CERT EXT Inspection (5,000+)	29	$330	$9,570	$462	$13,398	**$3,828**	$0	$0	$1,056	$2,772
Boiler N-CERT EXT Inspection (500-4,999)	188	$120	$22,560	$168	$31,584	**$9,024**	$192	$384	$624	$7,824
Boiler N-CERT INT Inspection (5,000+)	-	$600	$0	$840	$0	**$0**	$0	$0	$0	$0
Boiler N-CERT INT Inspection (500-4,999)	2	$235	$470	$329	$658	**$188**	$0	$0	$0	$188
Boiler N-CERT INT Inspection (less than 500/Coil/Water Htr)	5	$85	$425	$119	$595	**$170**	$0	$0	$0	$170
Exhibition Boiler CERT Inspection	43	$50	$2,150	$70	$3,010	**$860**	$0	$0	$40	$820
Exhibition Boiler Non Cert Inspection	2	$50	$100	$70	$140	**$40**	$0	$0	$0	$40
Ht Exch CERT EXT Inspection (1000-2000)	-	$90	$0	$126	$0	**$0**	$0	$0	$0	$0
Ht Exch CERT EXT Inspection (2000-3000)	-	$130	$0	$182	$0	**$0**	$0	$0	$0	$0
Ht Exch CERT EXT Inspection (3000+)	-	$180	$0	$252	$0	**$0**	$0	$0	$0	$0
Ht Exch CERT EXT Inspection (500-1000)	-	$60	$0	$84	$0	**$0**	$0	$0	$0	$0
Ht Exch N-CERT EXT Inspection (500-1000)	-	$60	$0	$84	$0	**$0**	$0	$0	$0	$0
Locomotive Boiler N-CERT Inspection	1	$150	$150	$210	$210	**$60**	$0	$0	$0	$60
Locomotive Boiler CERT Inspection	2	$150	$300	$210	$420	**$120**	$0	$0	$0	$120
Miscellaneous Fee	57	Varies	$4,864	$85	$4,864	**$0**	$0	$0	$0	$0
Non-Nuclear Shop (1/2 Day)	2	$350	$700	$350	$700	**$0**	$0	$0	$0	$0
Non-Nuclear Shop (1Day)	1	$560	$560	$560	$560	**$0**	$0	$0	$0	$0
Nuclear Shop - 1/2 Day	-	$400	$0	$400	$0	**$0**	$0	$0	$0	$0
Nuclear Shop (1 Day)	-	$610	$0	$610	$0	**$0**	$0	$0	$0	$0
PV CERT EXT Inspection (0-49)	10,317	$50	$515,850	$70	$722,190	**$206,340**	$3,220	$1,820	$14,220	$187,080
PV CERT EXT Inspection (50-69)	362	$85	$30,770	$119	$43,078	**$12,308**	$136	$374	$544	$11,254
PV CERT EXT Inspection (70+)	735	$135	$99,225	$189	$138,915	**$39,690**	$648	$648	$2,214	$36,180
PV CERT & Non CERT INT Inspection (0-49)	6	$60	$360	$84	$504	**$144**	$48	$24	$0	$72
PV CERT INT Inspection (70+)	2	$135	$270	$189	$378	**$108**	$0	$0	$0	$108
PV N-CERT EXT Inspection (50-69)	4	$85	$340	$119	$476	**$136**	$0	$0	$0	$136
PV N-CERT INT Inspection (70+)	9	$190	$1,710	$266	$2,394	**$684**	$0	$0	$0	$684
PV Non CERT EXT Inspection (0-49)	38	$50	$1,900	$70	$2,660	**$760**	$0	$600	$20	$140
PV Non CERT EXT Inspection (70+)	6	$135	$810	$189	$1,134	**$324**	$0	$54	$0	$270
Special Boiler Inspection	-	Exp	$0	$2,800	$0	**$0**	$0	$0	$0	$0
Special PV Inspection	-	$200 + Exp	$0	$280	$0	**$0**	$0	$0	$0	$0
Commission Application & Renewal Fee	69	$35	$2,415	$50	$3,450	**$1,035**	$0	$0	$0	$1,035
Commission Exam Fee (new fee type to add in .0203)	-		$0	$250	$0	**$0**	$0	$0	$0	$0
Special Inspection Fee (per hour)	78	$90 per Hour + Exp	$7,020	$125 per Hour + Exp	$9,750	**$2,730**	$0	$0	$210	$2,520
Audit Fee - 1/2 Day	7	$450	$3,150	$500	$3,500	**$350**	$0	$0	$0	$350
Audit Fee (1Day)	20	$690	$13,800	$1,000	$20,000	**$6,200**	$0	$0	$0	$6,200
Follow-Up Boiler/PV EXT Inspection	1,069	$50	$53,450	$70	$74,830	**$21,380**	$820	$380	$4,880	$15,300
Hobby Boiler CERT Inspection	3	$50	$150	$70	$210	**$60**	$0	$0	$0	$60
Ht Exch CERT EXT Inspection (less than 500)	514	$50	$25,700	$70	$35,980	**$10,280**	$220	$320	$1,700	$8,040
Ht Exch N-Cert Ext Inspection (less than 500)	-	$50	$0	$70	$0	**$0**	$0	$0	$0	$0
PV CERT EXT Inspection (less than 20)	-	$50	$0	$70	$0	**$0**	$0	$0	$0	$0
PV CERT INT Inspection (less than 20)	-	$50	$0	$70	$0	**$0**	$0	$0	$0	$0
PV N-CERT Ext Inspection (less than 20)	-	$50	$0	$70	$0	**$0**	$0	$0	$0	$0
PV N-CERT INT Inspection (less than 20)	-	$50	$0	$70	$0	**$0**	$0	$0	$0	$0
Insurance Boiler/PV Inspection	29,389	$50	$1,469,450	$55	$1,616,395	**$146,945**	$11,790	$1,060	$28,020	$106,075
Summary =>	**47,516**	**BeforeTotal**	**2,570,179**	**After Total**	**$3,154,727**	**$584,548**	**$21,916**	**$7,612**	**$82,550**	**$472,470**

7.2 Aggregate Impact & Net Present Value

The updated projection shows that, without the proposed fee increase, the Bureau's carry-forward would decline from approximately $747,373 at the close of SFY 2026 to approximately $43,252 by the close of SFY 2030 and would become negative in SFY 2031. The Department intends for the proposed fee amendments to become effective as soon as legally permissible after completion of rulemaking. Because the exact effective date cannot presently be determined, the fiscal analysis expresses the fee impact on a full-year annualized basis rather than assuming a partial-year implementation date. At current activity levels, the full-year annualized base fee impact is approximately $584,548. The actual first-fiscal-year impact will be prorated based on the date the rule becomes effective. For planning purposes, subsequent annualized projections apply the CPI assumption described below. The Bureau seeks to maintain

approximately 60 days of operating cash on hand; the precise dollar amount of that reserve will vary with actual expenditures at the time the rule becomes effective.

Boiler Safety Bureau	SFY-24 Actual	SFY-25 Actual	SFY-26 Actual	SFY-27 Estimated	SFY-28 Projected	SFY-29 Projected	SFY-30 Projected	SFY-31 Projected	SFY-32 Projected
Total Expenditures	$ 2,611,900	$ 2,533,609	$ 2,446,960	$ 2,606,748	$ 2,604,979	$ 2,629,483	$ 2,692,149	$ 2,721,469	$ 2,761,465
% Change from Prior Fiscal Year	*7.23%*	*-3.00%*	*-3.42%*	*6.53%*	*-0.07%*	*0.94%*	*2.38%*	*1.09%*	*1.47%*
Total Personnel Costs	$ 2,295,367	$ 2,249,009	$ 2,242,684	$ 2,330,224	$ 2,342,192	$ 2,374,184	$ 2,419,333	$ 2,449,927	$ 2,486,916
% Change from Prior Fiscal Year	*8.37%*	*-2.02%*	*-0.28%*	*3.90%*	*0.51%*	*1.37%*	*1.90%*	*1.26%*	*1.51%*
Total Operational Costs	$ 316,533	$ 284,600	$ 280,102	$ 302,557	$ 297,759	$ 302,277	$ 309,891	$ 312,408	$ 317,438
% Change from Prior Fiscal Year	*-0.43%*	*-10.09%*	*-1.58%*	*8.02%*	*-1.59%*	*1.52%*	*2.52%*	*0.81%*	*1.61%*
Total Admin Overhead Costs	$ -	$ -	$ 75,826	$ 78,101	$ 80,444	$ 82,857	$ 85,343	$ 87,903	$ 90,540
Projected LI Salary & Fringe Increases	**$ -**	**$ -**	**$ -**	**$ 90,750**	**$ 94,562**	**$ 98,722**	**$ 103,263**	**$ 108,220**	**$ 113,631**
Total Expenditures	**$ 2,611,900**	**$ 2,533,609**	**$ 2,522,786**	**$ 2,775,599**	**$ 2,779,984**	**$ 2,811,062**	**$ 2,880,755**	**$ 2,917,593**	**$ 2,965,636**
Total Boiler Receipts Collected	$ 2,614,701	$ 2,677,090	$ 2,613,721	$ 2,635,171	$ 2,641,994	$ 2,630,295	$ 2,635,820	$ 2,636,036	$ 2,634,050
% Change from Prior Fiscal Year	*-6.65%*	*2.39%*	*-2.37%*	*0.82%*	*0.26%*	*-0.44%*	*0.21%*	*0.01%*	*-0.08%*
Carry Over of Receipts from Prior SFY	$ 510,156	$ 512,957	$ 656,438	$ 747,373	$ 606,945	$ 468,954	$ 288,187	$ 43,252	$ -
Total Revenues	**$ 3,124,857**	**$ 3,190,047**	**$ 3,270,159**	**$ 3,382,543**	**$ 3,248,938**	**$ 3,099,249**	**$ 2,924,007**	**$ 2,679,289**	**$ 2,634,050**
Carry-Forward Amount W/O Fee Increase	**$512,957**	**$656,438**	**$747,373**	**$606,945**	**$468,954**	**$288,187**	**$43,252**	**($238,304)**	**($331,585)**
Proposed Boiler Fee Increases	$ -	$ -	$ -	$ -	$ 292,274	$ 584,548	$ 584,548	$ 665,057	$ 747,585
Proposed CPI Increases (2.5%)					$ -	$ -	$ 80,509	$ 82,527	$ 84,541
Adjusted Total Revenues	**$ 3,124,857**	**$ 3,190,047**	**$ 3,270,159**	**$ 3,382,543**	**$ 3,541,212**	**$ 3,683,797**	**$ 3,589,064**	**$ 3,426,873**	**$ 3,466,176**
Adjusted Carry-Forward Amount	**$ 512,957**	**$ 656,438**	**$ 747,373**	**$ 606,945**	**$ 761,228**	**$ 872,735**	**$ 708,310**	**$ 509,281**	**$ 500,540**

7.3 Assumptions

The projections use the following principal assumptions: (1) the base fee amendments become effective as soon as legally permissible following completion of rulemaking; (2) because the precise effective date is unknown, fiscal impacts are presented on a full-year annualized basis and the actual initial fiscal-year impact will be prorated based on the effective date; (3) salary growth is assumed at three percent annually for planning purposes; (4) operating costs continue to reflect inflation and the Bureau's actual historical spending patterns; (5) inspection and fee volumes remain reasonably consistent with recent experience, subject to normal year-to-year variation; and (6) the illustrative projection uses 2.5 percent annual CPI growth as a planning assumption only. Actual annual fee adjustments will be determined from the applicable BLS CPI measure and will not be less than zero percent.

Receipts can vary because of changes in the regulated equipment population, timing of certificate renewals, the number of follow-up or special inspections, the distribution of inspections between commissioned insurance inspectors and Bureau deputy inspectors, and other activity changes outside the Bureau's control. Expenditures likewise fluctuate because of vacancies, salary and fringe changes, travel and vehicle costs, training, equipment replacement, and the timing of purchases. For that reason, the Department does not treat any single fiscal year as a guaranteed revenue or expense level and uses a 60-day cash reserve target to absorb normal volatility.

For sensitivity purposes, the following simplified scenarios hold the SFY 2025 fee volume and baseline receipts constant and apply the stated CPI assumption to successive annualized periods after implementation. These scenarios are not forecasts and do not assume a specific effective date; they illustrate the range of potential five-year impacts if inflation materially differs from the 2.5 percent planning assumption used in the illustrative projection.

Annual CPI Scenario	Year 1 Annualized Impact	Full-Year Base Impact	Approx. Five-Year Aggregate Fee Impact
0%	$584,548	$584,548	$2.92 million
2.5%	$584,548	$584,548	$3.07 million
4%	$584,548	$584,548	$3.17 million
8%	$584,548	$584,548	$3.43 million

Using five annualized years beginning with implementation, and assuming 2.5 percent CPI growth for projection purposes, the illustrative aggregate fee impact is approximately $3.07 million. Because the actual effective date is not yet known, the impact realized in the first State fiscal year will depend on the portion of that fiscal year during which the amended fees are in effect. The annualized projection is therefore intended to demonstrate the magnitude of the five-year impact without assigning an unsupported effective date.

7.4 CPI Adjustment Mechanism and Historical Comparison

The Department proposes to use the U.S. Department of Labor, Bureau of Labor Statistics CPI Inflation Calculator and the Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items, not seasonally adjusted. BLS identifies that series as the basis for its CPI Inflation Calculator. The first CPI adjustment would occur on the first July 1 that is at least 12 months after the rule's actual effective date, so the timing of the adjustment does not depend on an assumed rulemaking completion date. The analysis applies a floor of zero percent so that a negative CPI period would not reduce the regulatory fees. The Department does not propose a cap because a cap during a period in which inflation exceeds the cap would cause fee revenue to lose purchasing power and would recreate the structural problem the indexing mechanism is intended to address. Source: https://www.bls.gov/data/inflation_calculator.htm.

The historical comparison supplied with the analysis considers annual inflation from 2016 through 2025. Compounding the annual rates reflected in that analysis produces cumulative inflation of approximately 35.6 percent over the period before annual dollar rounding. For illustration, a $50 fee left unchanged over that period would remain $50; inflation indexing would have produced approximately $68 before annual rounding and approximately $70 using the annual nearest-dollar methodology reflected in the supporting workbook. This comparison demonstrates why infrequent fee adjustments can create a sizable gap between the fee schedule and the cost of providing the regulated service. The 2021-2022 approach of adjusting only selected fees provided temporary relief but did not address the broader erosion of the fee schedule and is therefore not considered a durable alternative.

7.5 State Government Impact

The updated fee-by-category allocation estimates a full-year annualized fee impact of approximately $21,916 on State government entities that own or operate regulated equipment. Applying the same sector share to the illustrative five-year annualized projection produces an estimated direct State fee impact of approximately $115,198. The actual initial fiscal-year impact will depend on the effective date. State

entities will experience different impacts depending on the number, type, and inspection status of their regulated boilers and pressure vessels.

The CPI mechanism will also require a limited annual administrative process within NCDOL to calculate the adjustment, round the revised fees, update the Department's website and billing references, and communicate the new schedule to affected entities. For purposes of this fiscal analysis, NCDOL assumes approximately eight staff hours annually at an average total-compensation value of $60 per hour, or approximately $480 per year and $2,400 over five years. This work can be absorbed within existing staff resources and does not require an additional position or appropriation.

7.6 Private Entity Impact

The Department estimates a full-year annualized private-sector impact of approximately $472,470, or about 81 percent of the $584,548 annualized fee increase. Applying the same sector share to the illustrative five-year annualized projection results in an estimated private-sector fee impact of approximately $2.48 million. The actual initial fiscal-year impact will depend on the effective date. The principal affected group is private owners and users of boilers and pressure vessels, who will pay the revised inspection, certificate, follow-up, and related fees applicable to their equipment.

Other private-sector impacts are more limited and transaction-specific. Authorized inspection agencies and employers of commissioned inspectors are affected by the revised commission and audit fees. The annual commission application or renewal fee increases from $35 to $50. The rule also establishes a $250 examination fee for new applicants who must take the North Carolina commission examination; no SFY 2025 transactions were available from which to quantify an annual aggregate impact for that new fee. Audit fees increase from $450 to $500 for a half day and from $690 to $1,000 for a full day. These costs arise only when the corresponding commission, examination, or audit service is required.

7.7 Cost Containment and Program Efficiency

The Department considered whether further cost reductions could materially reduce the need for the proposed fee changes. The Boiler Safety Bureau is a small operational group whose core expenditures are personnel and the travel, vehicles, equipment, training, and administrative support necessary to perform statewide inspections. The Department has not identified a meaningful category of discretionary spending that can be eliminated without impairing inspection capacity or program administration. Reducing inspection activity in order to lower expenditures is not considered an acceptable cost-containment strategy because it would create a direct public-safety concern and could produce inspection delays or backlogs.

The Bureau also has not identified a new billing-system expense comparable to the system costs considered in the prior fee analysis. It currently uses the national billing system at no cost. The present revenue need is therefore driven by the cumulative cost of maintaining ongoing operations, not by a planned one-time billing-system or information-technology project.

8. Benefits of the Proposed Rule

The proposed amendments provide significant benefits by ensuring the continued operation of a critical public safety program. Boilers and pressure vessels contain water, steam, gases, or other contents under pressure and may store substantial thermal and mechanical energy. A failure can result in the sudden release of pressure, steam or hot water, projectiles, fire, structural damage, serious burns, other injuries, or death. Routine inspection is intended to identify conditions such as deterioration, corrosion, cracking, unsafe repairs, deficient pressure-relief protection, control failures, and other conditions before they result in a catastrophic failure.

Adequate fee revenue supports the staffing, travel, training, and administrative infrastructure required to conduct those inspections and enforce applicable safety requirements. If revenues become insufficient, the realistic operational consequences would include difficulty maintaining inspector staffing, slower inspection response, increased backlogs, or pressure to reduce inspection coverage. Because inspection frequency and coverage are tied directly to public safety, the Department does not consider reducing required inspections an appropriate response to a funding shortfall.

The CPI mechanism is intended to reduce the recurrence of large, infrequent fee adjustments by allowing the fee schedule to track inflation more closely. It gives regulated entities reasonable certainty that fees may increase when inflation increases, although the precise magnitude of any future adjustment will depend on the applicable CPI and therefore cannot be known in advance.

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9. Alternatives Considered

In developing the proposed amendments, the Department considered alternatives that could materially affect costs or the long-term sufficiency of fee revenue. The Department evaluated not only the minimum alternatives required by the Administrative Procedure Act, but also alternative approaches to the proposed CPI mechanism.

Alternative 1 - Maintain the current fee structure. The Department considered leaving all fees unchanged. This alternative would impose no new regulatory cost in the short term but would not provide sufficient revenue to maintain the Bureau's current inspection program over the projection period. The updated projection shows carry-forward declining to approximately $43,252 by the end of SFY 2030 and becoming negative in SFY 2031 without an increase. The Bureau is entirely receipt-supported, and allowing revenue to fall below operating needs would eventually require staffing or service reductions, inspection delays, or a backlog. Because boilers and pressure vessels present significant public-safety hazards when unsafe conditions go undetected, the Department rejected an approach that would knowingly place inspection capacity at risk.

Alternative 2 - Implement the proposed base fee increases without CPI indexing. This alternative would address the immediate revenue deficiency and would be preferable to maintaining the existing fee schedule. It would not, however, address the recurring loss of purchasing power that occurs when fees remain fixed while salary, travel, vehicle, training, equipment, and administrative costs increase. Based on the Bureau's prior experience, this approach would likely require another substantial rulemaking and fee increase within a relatively short period. The Department therefore concluded that the base increase alone is a temporary solution rather than a sustainable funding structure.

Alternative 3 - Apply CPI only to selected fees. The Department has experience with this type of partial adjustment. In 2021-2022, selected fees were increased while most of the fee schedule remained unchanged. That approach provided temporary relief but did not address the erosion in the remainder of the fee schedule and ultimately functioned as a short-term or band-aid solution. Repeating that approach would create uneven cost recovery across services and would not materially reduce the likelihood of another broad fee increase.

Alternative 4 - Use a fixed annual percentage rather than CPI. A predetermined annual percentage would be administratively simple, but it would not reliably correspond to the Bureau's changing purchasing power. A fixed rate could over-recover during low-inflation periods and under-recover during high-inflation periods. CPI is preferred because it provides an external and objective measure tied to broad changes in consumer prices rather than a percentage selected by the Department.

Alternative 5 - Modify the CPI mechanism through a floor, cap, or annual discretion. The Department agrees that fees should not automatically decline during a deflationary period and therefore proposes a zero-percent floor. The Department does not propose a cap because a cap below actual inflation would permit a renewed gap between fee revenue and operating costs. The Department also considered whether the Bureau should have discretion to impose a smaller CPI adjustment or no adjustment in a particular year. Under the Department's current understanding, providing that type of discretionary authority would require legislative action and is therefore not an available regulatory alternative in this rulemaking. The selected approach applies an objective CPI measure with a zero-percent floor and avoids using inspection reductions as a budget-balancing tool.

10. Determination of Substantial Economic Impact

The proposed amendments result in a substantial economic impact under G.S. § 150B-21.4. At current activity levels, the full-year annualized fee impact is approximately $584,548, allocated approximately as follows: $472,470 to private entities, $82,550 to local/municipal/county entities, $21,916 to State government, and $7,612 to federal entities. The Department intends for the amendments to become effective as soon as legally permissible following completion of rulemaking, but the precise effective date cannot currently be known. Accordingly, the actual impact in the initial fiscal year will be prorated based on the effective date. Using five annualized years beginning with implementation and compounded CPI adjustments under the 2.5 percent planning assumption, the illustrative aggregate five-year fee impact is approximately $3.07 million. The estimated annual internal administrative cost of implementing the CPI adjustment is approximately $480 and does not materially alter the substantial-impact determination.

Rate increases and their impact on regulated entities are taken seriously by the Department. The Department has historically increased boiler fees infrequently. The present proposal responds to the cumulative effect of increased actual operating costs and is designed to maintain a prudent working-capital reserve of approximately 60 days of operating expenses. The CPI mechanism addresses the structural problem created when a receipt-supported safety program must operate for long periods under a fixed fee schedule while its costs continue to rise.

State Impact	Federal Impact	Local, Municipal County Impact	Private Impact	Annual Total
$21,916	$7,612	$ 82,550	$472,470	$584,548

The updated SFY 2026 closeout data show that the Bureau's personnel and non-personnel operating costs increased from approximately $2.224 million in SFY 2021 to approximately $2.523 million in SFY 2026, an increase of approximately $298,620. Individual fiscal years may show decreases because of vacancies, timing of expenditures, or other normal operational variation; the relevant funding issue is the cumulative increase in the cost of sustaining the program over time.

The Table below summarizes the difference in expenses realized in 2021 (the year of the last partial rate increase) and the final expenses recorded in June 2026. The total additional expense borne in the prior four years was $298,620.

Expense Category	**SFY-2021 *(closed)***	**SFY-2026 *(closed)***	**Difference**
Total Personnel Costs (Salary/Fringe)	$ 1,996,277	$ 2,242,684	$ 246,407
Total Operational Costs (Non-Personnel Costs)	$ 227,889	$ 280,102	$ 52,213
Summary of Total Costs	**$ 2,224,166**	**$ 2,522,786**	**$ 298,620**

11. Conclusion

The proposed amendments revise boiler and pressure vessel fees to ensure the continued operation of a receipt-supported public-safety program. The updated analysis demonstrates that the existing fee schedule will not sustain the Bureau over the projection period while maintaining a prudent operating reserve. The Department intends for the base fee amendments to become effective as soon as legally permissible following completion of the rulemaking process. Because the precise effective date cannot be known in advance, the analysis presents annualized impacts and recognizes that the actual first-fiscal-year impact will depend on the implementation date. The proposed base fee increase, combined with future annual CPI adjustments and a zero-percent floor, provides a mechanism to align receipts more closely with changes in operating costs without reducing inspection coverage. Although the amendments impose additional costs on regulated entities, those costs support the staffing and infrastructure necessary to perform required inspections and reduce the risk that financial constraints will create backlogs, delayed inspections, or other public-safety consequences.

13 NCAC 13 .0101 DEFINITIONS

The following definitions shall apply throughout the rules in this Chapter and shall be construed as controlling in case of any conflict with the definitions contained in ANSI/NB-23 National Board Inspection Code Parts 2, 3, and 4, The American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code, or The North Carolina State Building Code:

(1) "Accepted Design and Construction Code" means the Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers (ASME Code), or a comparable code with standards that the Chief Inspector determines to be equivalent to the ASME Code.

(2) "Appurtenance" means any control, fitting, appliance, or device attached to or working in conjunction with the boiler proper or pressure vessel.

(3) "ASME Code" means the Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers.

(4) "Audit" means activities, other than certificate inspections, conducted by the Chief Inspector or his or her designee. Audits include the following:

(a) reviews for ASME and National Board certificate issuance and renewal;

(b) audits conducted ~~of an authorized inspector~~ at the location of a manufacturer or repair organization as may be required by the ASME Code, National Board Inspection Code, or National Board Rules for Commissioned Inspectors; and

(c) audits pursuant to evaluation for the issuance of North Carolina Specials.

(5) "Automatically fired boiler" means a boiler that cycles in response to a control system and that does not require a constant attendant for the purpose of introducing fuel into the combustion chamber or to control electrical input. Electricity shall be considered a fuel for electrically fired boilers.

(6) "Authorized Inspection Agency" means an organization employing commissioned inspectors, including the following:

(a) the Bureau, as defined in Item (11) of this Rule.

(b) an inspection agency of an insurance company licensed to write boiler and pressure vessel insurance; or

(c) an owner-user inspection organization that is accredited by the National Board.

(7) "Authorized inspector" means an employee of an Authorized Inspection Agency who is commissioned by the National Board and this State, holds an endorsement on his or her National Board Commission appropriate for the work to be performed, and inspects as the third party inspector in ASME Code manufacturing facilities.

(8) "Boiler," as defined in G.S. 95-69.9(b), includes the following types of boilers:

(a) "Exhibition boiler" means a historical or antique boiler that generates steam or hot water for the purposes of entertaining or educating the public or is used for demonstrations, tourist transportation, or exhibitions. This term includes boilers used in steam tractors, threshers, steam powered sawmills, and similar uses;

(b) "High pressure boiler" means a boiler in which steam or other vapor is generated at a pressure of more than 15 psig or water is heated to a temperature greater than 250°F and a pressure greater than 160 psig for use external to itself. High pressure boilers include the following:

(i) Electric boilers;

(ii) Miniature boilers;

(iii) High temperature water boilers; and

(iv) High temperature liquid boilers (other than water);

(c) "Low pressure boiler" means a boiler in which steam or other vapor is generated at a pressure of not more than 15 psig or water is heated to a temperature not greater than 250°F and a pressure not greater than 160 psig, including the following:

(i) "Hot water heating boiler" means a low pressure boiler that supplies heated water that is returned to the boiler from a piping system and is used normally for building heat applications (hydronic boiler);

(ii) "Hot water supply boiler" means a low pressure boiler that furnishes hot water to be used externally to itself; and

(iii) "Steam heating boiler" means a low pressure boiler that generates steam to be used normally for building heat applications;

(d) "Model hobby boiler" means a boiler that generates steam, whether stationary or mobile, and is used for the purpose of entertainment or exhibiting steam technology, where the boiler does not exceed:

(i) 20 square feet of heating surface;

(ii) a shell diameter of 16 inches;

(iii) a volume of 5 cubic feet; and

(iv) a pressure of 150 psig;

(e) "Water heater" means a closed vessel in which water is heated by the combustion of fuel, by electricity, or by any other source, and withdrawn for potable use external to the system at pressures not exceeding 160 psig and temperatures not exceeding 210°F.

(9) "Boiler blowoff" means the system associated with the rapid draining of boiler water to remove concentrated solids that have accumulated as a result of steam generation. This term also applies to the blowoff for other boiler appurtenances, such as the low-water fuel cutoff.

(10) "Boiler proper" or "pressure vessel" means the internal mechanism, shell, and heads of a boiler or pressure vessel terminating at:

(a) the first circumferential joint for welded end connections;

(b) the face of the first flange in bolted flange connections; or

(c) the first threaded joint in threaded connections.

(11) "Bureau" means the Boiler Safety Bureau of the North Carolina Department of Labor.

(12) "Certificate inspection" means an inspection, the report of which is used by the Chief Inspector as justification for issuing, withholding, or revoking the inspection certificate. The term "certificate inspection" also applies to the external inspection conducted in accordance with this Chapter whether or not a certificate is intended to be issued as a result of the inspection.

(13) "Condemned boiler or pressure vessel" means a boiler or pressure vessel:

(a) that has been found not to comply with G.S. Chapter 95, Article 7A, or this Chapter;

(b) that constitutes a menace to public safety; and

(c) that cannot be repaired or altered so as to comply with G.S. Chapter 95, Article 7A, and this Chapter.

(14) "Coil type watertube boiler" means a boiler having no steam space, such as a steam drum, whereby the heat transfer portion of the water-containing space consists only of a coil of pipe or tubing.

(15) "Commissioned inspector" means an employee of an Authorized Inspection Agency who is commissioned by the National Board and this State, holds an endorsement on his or her National Board Commission appropriate for the work to be performed, and who is charged with conducting in-service inspections of pressure equipment and inspecting repairs or alterations to that equipment.

(16) "Defect" means any deterioration to the pressure equipment affecting the integrity of the pressure boundary or its supports. Defects may be cracks, corrosion, erosion, bags, bulges, blisters, leaks, broken parts integral to the pressure boundary such as stays, or other flaws identified by NDE or visual inspection.

(17) "Deficiency" means any violation of the Uniform Boiler and Pressure Vessel Act, rules of this Chapter, or identified defects.

(18) "Design criteria" means design and construction code requirements relating to the mode of design and construction of a boiler or pressure vessel.

(19) "Equipment" means any boiler or pressure vessel subject to inspection by the Bureau.

(20) "External inspection" means an inspection of the external surfaces and appurtenances of a boiler or pressure vessel. An external inspection may entail "shutting down" a boiler or pressure vessel while it is in operation, including inspection of internal surfaces, if the inspector determines this action is warranted.

(21) "Hydropneumatic storage tank" means a pressure vessel used for storage of water at a temperature not to exceed 110 °F and where a cushion of air is contained within the vessel.

(22) "Imminent danger" means any condition or practice in any location that a boiler or pressure vessel is being operated such that a danger exists that could be expected to cause death or serious physical harm if the condition is not abated.

(23) "Insurance inspector" means the special inspector employed by an insurance company, and holding a valid North Carolina Commission and National Board Commission.

(24) "Internal inspection" means as complete an examination as can be made of the internal and external surfaces and appurtenances of a boiler or pressure vessel while it is shut down.

(25) "Maximum allowable working pressure" or "MAWP" means the maximum gauge pressure as determined by employing the stress values, design rules, and dimensions designated by the accepted design and construction code or as determined by the Chief Inspector in accordance with this Chapter.

(26) "Menace to public safety" means a boiler or pressure vessel that cannot be operated without a risk of injury to persons and property.

(27) "Miniature boiler" means a boiler that does not exceed any of the following:

(a) 16 inch inside shell diameter;

(b) 20 square feet of heating surface (does not apply to electrically fired boilers);

(c) 5 cubic feet volume; and

(d) 100 psig maximum allowable working pressure.

(28) "National Board Commission" means the commission issued by the National Board to those individuals who have passed the National Board commissioning examination and have fulfilled the requirements of the National Board Rules for Commissioned Inspectors.

(29) "National Board Inspection Code" or "NBIC" means the ANSI/NB-23 standard published by the National Board, as incorporated by reference under Rule .0103 of this Chapter.

(30) "Nondestructive examination" or "NDE" means examination methods used to verify the integrity of materials and welds in a component without damaging its structure or altering its mechanical properties. NDE may involve surface, subsurface, and volumetric examination. Visual inspection, x-rays, and ultrasound are examples of NDE.

(31) "Nonstandard boiler or pressure vessels" means:

(a) high pressure boilers contracted for or installed before December 7, 1935;

(b) heating boilers contracted for or installed before January 1, 1951;

(c) pressure vessels contracted for or installed before January 1, 1976;

(d) hydropneumatic storage tanks contracted for or installed before January 1, 1986; and

(e) boilers or pressure vessels to which the ASME Code is not intended to apply, other than those boilers and pressure vessels to which the term North Carolina Special applies.

(32) "Normal working hours" means between the hours of 6:00 AM and 6:00 PM, Monday through Friday, except for State recognized holidays established in 25 NCAC 01E .0901.

(33) "North Carolina Commission" means the commission issued by the Commissioner to those individuals who have passed the examination administered by the Chief Inspector relating to the Uniform Boiler and Pressure Vessel Act and the rules of this Chapter, and who also hold a National Board Commission, authorizing them to conduct inspections in this State.

(34) "North Carolina Special" means a boiler or pressure vessel that is not constructed in compliance with the Accepted Design and Construction Code as defined in Item (1) of this Rule and for which the owner or user shall apply for a special inspection certificate with the Chief Inspector.

(35) "NPS" means nominal pipe size.

(36) "Nuclear component" means the items in a nuclear power plant such as pressure vessels, piping systems, pumps, valves, and component supports.

(37) "Nuclear system" means a system comprised of nuclear components that serve the purpose of producing and controlling an output of thermal energy from nuclear fuel and includes those associated systems essential to the function and overall safety of the power system.

(38) "Operating pressure" means the pressure at which a boiler or pressure vessel operates. It shall not exceed the MAWP except as shown in Section I of the ASME Code for forced-flow steam generators.

(39) "Owner or user" means any person or legal entity responsible for the operation of any boiler or pressure vessel installed in this State. This term also applies to a contractor, installer, or agent of the owner or user.

(40) "Owner-user inspector" means an individual who holds a valid North Carolina Commission and National Board Commission and is employed by a company operating pressure vessels for its own use and not for resale and maintaining an inspection program that meets the requirements of the National Board for periodic inspection of pressure vessels owned or used by that company.

(41) "Pressure piping" means piping, including welded piping, external to high pressure boilers from the boiler proper to the required valve(s).

(42) "Pressure relief devices" mean the devices on boilers and pressure vessels set to open and relieve the pressure in the event of an over-pressurization event, and include the following:

(a) "Non-reclosing pressure relief device" means a pressure relief device designed to remain open after operation; and

(b) "Pressure relief valve" means a pressure relief device that is designed to reclose and prevent the further flow of fluid after normal conditions have been restored. These devices include:

(i) "Relief valve" means an automatic pressure relief valve that is actuated by static pressure upstream of the valve that opens further with the increase in pressure over the opening pressure;

(ii) "Safety relief valve" means an automatic pressure relief valve that is actuated by static pressure upstream of the valve and characterized by full opening pop action or by opening in proportion to the increase in pressure over the opening pressure; and

(iii) "Safety valve" means an automatic pressure relief valve that is actuated by static pressure upstream of the valve and characterized by full opening pop action.

(43) "PSIG" means pounds per square inch gauge.

(44) "Reinspection or Follow-Up Inspection" means an examination necessary to verify that any repair or corrective action required as a result of a certificate inspection is completed.

(45) "Service vehicle" means a vehicle mounted with an air storage tank that services vehicles and equipment in the field away from the owner's shop.

~~(46) "Shop inspection" means an inspection conducted by an Authorized Inspector or a Commissioned Inspector pursuant to an inspection service agreement whereby the fabrication process or the repair or alteration of a boiler or pressure vessel is observed to ensure compliance with the ASME Code and the NBIC.~~

~~(47)~~ (46)"Special inspection" means any inspection conducted by a Deputy Inspector other than a regularly scheduled inspection, including the performance of an inspection by a Deputy Inspector that requires that the inspector make a special trip to meet the needs of the individual or organization requesting the inspection, conducting certificate inspections during hours other than normal working hours, and inspection of field repairs and alterations. A special inspection may be considered any inspection or activity not otherwise described in these Rules.

~~(48)~~ (47)"Special inspector" means a National Board commissioned inspector employed by an insurance company authorized to write boiler and pressure vessel insurance in the State of North Carolina.

~~(49)~~ (48)"Violation" means the failure to comply with the requirements of the Uniform Boiler and Pressure Vessel Act or this Chapter.

History Note: *Authority G.S. 95-69.11; 95-69.14;*
Eff. May 29, 1981;
Temporary Amendment [(16)]; Eff. March 10, 1982, for a Period of 120 Days to Expire on July 8, 1982;
Amended Eff. March 1, 2017; March 1, 2015; July 1, 2011; January 1, 2009; July 1, 2006; January 1, 1995; January 1, 1987; January 1, 1986; June 1, 1982;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 22, 2018;

Amended Eff. November 1, 2024; April 1, 2022.

13 NCAC 13 .0203 NORTH CAROLINA COMMISSION

(a) When requested by the employer and upon presentation of a completed Application for Commission as an Inspector of Boilers and Pressure Vessels, a North Carolina Commission, bearing the signature of the Commissioner or Chief Inspector, shall be issued by the Chief Inspector to persons holding a valid National Board Commission who have taken and passed the examination specified in 13 NCAC 13 .0202(b).

(b) Applications for a North Carolina Commission shall be processed upon proof of a National Board Commission and payment of a ~~thirty-five dollar ($35.00)~~ fifty dollar ($50.00) fee to the Department of Labor. New applicants shall pass an examination as required by G.S. 95-69.15(b) and shall pay an examination fee of two-hundred and fifty dollars ($250.00).

(c) North Carolina Commissions shall be valid on an annual basis through December 31, at which time the inspector's employer shall submit a renewal request letter and ~~a thirty-five dollar ($35.00)~~ the fifty dollar ($50.00) fee to the Department of Labor.

(d) The employing company shall immediately notify the Chief Inspector of the termination of any employee in possession of a North Carolina Commission.

(e) A North Carolina Commission may be suspended or revoked by the Commissioner in accordance with G.S. 95-69.11(20). Failure to conduct inspections in accordance with this Chapter shall constitute incompetence. Falsification of any statement in an application or inspection report, including a failure to inspect, shall constitute dishonesty. Suspension or revocation of a North Carolina Commission shall be based on evidence of incompetence or dishonesty.

(f) The Commissioner shall give notice of the commencement of proceedings for suspension or revocation of a commission pursuant to G.S. 150B-23. A North Carolina Commission may be suspended prior to the hearing if the Chief Inspector determines that, as a result of an inspector incompetence or dishonesty, the public health, safety, or welfare, is put at risk, the proceedings shall be promptly commenced and determined in accordance with G.S. 150B-3. The Commissioner's decision regarding the competency of an inspector shall be determined after comparing the inspector's knowledge, skill, and care taken during inspections with that possessed and employed by boiler and pressure vessel inspection personnel in good standing. Industry custom and practice shall be considered but are not determinative. The Commissioner shall give the inspector opportunity to show that he or she is conducting his or her duties in a competent manner and that suspension or revocation is unwarranted. If the inspector believes that the decision of the Commissioner is not warranted, the inspector may take exception to the determination, in which event the inspector may appeal the final determination of the action pursuant to G.S. 150B.

History Note: *Authority G.S. 95-69.11; 95-69.15;*
Eff. May 29, 1981;
Amended Eff. March 1, 2017; March 1, 2015; July 1, 2011; January 1, 2009; July 1, 2006; January 1, 1995; March 2, 1992; September 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 22, 2018;
Amended Eff. November 1, 2024; April 1, 2022.

13 NCAC 13 .0210 ~~SHOP INSPECTIONS AND~~ NATIONAL BOARD "R" CERTIFICATE QUALIFICATION REVIEWS

~~(a) Shop Inspections.~~

~~(1) Manufacturers or repair firms seeking to employ the Boiler Safety Bureau to act as their Authorized Inspection Agency pursuant to the ASME Code or National Board Inspection Code, shall enter into a written agreement with the North Carolina Department of Labor, Boiler Safety Bureau for this purpose.~~

~~(2) An audit of the Deputy Inspector serving as the Authorized Inspector pursuant to Subparagraph (a)(1) of this Rule, and the contracting company in which he or she is working shall be conducted on an annual basis. The contracting company shall pay the audit fees required in Rule .0213 of this Section.~~

~~(b)~~ National Board "R" Certificate Qualification Reviews

(1) The Chief Inspector, or the Chief Inspector's designee, shall conduct the qualification reviews for issuance or renewal of the National Board "R" certificate of authorization pursuant to the National Board Inspection Code as adopted. ~~adopted, except as provided in Subparagraph (b)(2) of this Rule.~~ In the event the Chief Inspector or their designee is unable to conduct qualification reviews, the National Board will take over such responsibilities.

~~(2) The Chief Inspector or his designee shall not conduct the qualification reviews of those companies for which the Boiler Safety Bureau provides inspection services, or those companies which specifically request the review be conducted by the National Board.~~

~~(3)~~(2) A review to be conducted by the Boiler Safety Bureau shall be scheduled upon receipt of request by the National Board.

History Note: *Authority G.S. 95-69.11; 95-69.14;*
Eff. May 29, 1981;
Amended Eff. March 1, 2015; October 1, 2008; July 1, 2006; January 1, 1995;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 22, 2018;
Amended Eff. November 1, 2024; April 1, 2022.

13 NCAC 13 .0213 CERTIFICATE AND INSPECTION FEES

(a) An owner or user, or insurance company, shall pay a ~~fifty dollar ($50.00)~~ fifty-five dollar ($55.00) certificate and processing fee to the North Carolina Department of Labor for certificate inspections performed by an Insurance Inspector.

(b) An owner or user shall pay an inspection and certificate fee to the North Carolina Department of Labor for each boiler or pressure vessel inspected by a Deputy Inspector as follows:

Boilers - An inspection of a boiler where the heating surface is:	External	Internal
Less than 500 sq. ft.	~~$50.00~~ $70.00	~~$85.00~~ $119.00
500 or more sq. ft. but less than 5000 sq. ft.	~~$120.00~~ $168.00	~~$235.00~~ $329.00
5000 or more sq. ft.	~~$330.00~~ $462.00	~~$600.00~~ $840.00

Cast iron boilers	~~$50.00~~ $70.00	~~$80.00~~ $112.00
~~Locomotive boilers (Antique Exhibition/Show)~~	~~N/A~~	~~$150.00~~
~~Exhibition boilers (Antique Exhibition/Show)~~	~~N/A~~	~~$50.00~~
~~Hobby boilers~~	~~N/A~~	~~$50.00~~

Pressure Vessels - An inspection of a pressure vessel, other than a heat exchanger, where the product of measurement in feet of the diameter or width, multiplied by its length is:	External	Internal
Less than 50	~~$50.00~~ $70.00	~~$60.00~~ $84.00
50 or more but less than 70	~~$85.00~~ $119.00	~~$135.00~~ $189.00
70 or more	~~$135.00~~ $189.00	~~$190.00~~ $266.00

Heat Exchanger Pressure Vessels ~~Exchangers~~ - An inspection of a heat exchanger, where the heating surface is:	External
500 or more sq. ft. but less than 1000 sq. ft.	~~$60.00~~ $84.00
Less than 500 sq. ft.	~~$50.00~~ $70.00
1000 or more sq. ft. but less than 2000 sq. ft.	~~$90.00~~ $126.00
2000 or more sq. ft. but less than 3000 sq. ft.	~~$130.00~~$182.00
3000 or more sq. ft.	~~$180.00~~ $252.00

Locomotive boilers (Antique Exhibition/Show)	$150.00
Exhibition boilers (Antique Exhibition/Show)	$50.00
Hobby boilers	$50.00

(c) In addition to the fees established in Paragraph (b) herein, a fee of ~~ninety dollars ($90.00)~~ one hundred and twenty-five dollars $125.00 per hour, including travel time, plus each expense allowed by G.S. 138-6 and 138-7 and the standards and criteria established thereto by the Office of State Budget and Management's State Budget Director, at the applicable state rate shall be paid to the North Carolina Department of Labor for each special inspection as defined by 13 NCAC 13 .0101(47) and for all inspections performed outside of normal working hours as defined by 13 NCAC 13 .0101(32).

~~(d) A fee of three hundred fifty dollars ($350.00) per one half day (four hours) or any part of one half day or five hundred sixty dollars ($560.00) for one day (four to eight hours) plus, in either case, each expense allowed by G.S. 138-6 and 138-7 and the standards and criteria established thereto by the Office of State Budget and Management's State Budget Director, at the applicable state rate shall be paid to the North Carolina Department of Labor for each shop inspection as defined by 13 NCAC 13 .0101(46).~~

~~(e)~~ (d) A fee of ~~four hundred fifty dollars ($450.00)~~ five hundred dollars ($500.00) per one-half day (four hours) or any part of one-half day or one thousand dollars ($1000.00) ~~six hundred ninety dollars ($690.00)~~ for one day (four to eight hours), plus, in either case, each expense allowed by G.S. 138-6 and 138-7 and the standards and criteria established thereto by the Office

of State Budget and Management's State Budget Director, at the applicable state rate shall be paid to the North Carolina Department of Labor for audits as defined by 13 NCAC 13 .0101(4).

(e) Notwithstanding any provision of Rule to the contrary, for fiscal years beginning on or after July 1, 2028, the Department shall adjust the fee amounts listed in this Rule in accordance with the percent change in the annual Consumer Price Index for All Urban Consumers (CPI-U) computed by the Bureau of Labor Statistics using the most recent 12-month period for which data is available. In no event shall the annual adjustment be less than zero percent (0%). The adjustment for fees under this section shall be rounded to the nearest dollar ($1.00), and the Commissioner shall publish the current fees on the Department's website.

History Note: *Authority G.S. 95-69.11;*
Eff. May 29, 1981;
Amended Eff. January 1, 1995; March 2, 1992; September 1, 1986;
Temporary Amendment Eff. March 11, 1997;
Temporary Amendment Eff. March 11, 1997 expired on December 27, 1997;
Temporary Amendment Eff. December 10, 1997;
Amended Eff. March 1, 2015; July 1, 2006; March 1, 2006; August 1, 1998;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 22, 2018;
Amended Eff. November 1, 2024; April 1, 2022.