

Michigan Department of Licensing and Regulatory Affairs
Office of Regulatory Reinvention
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**REGULATORY IMPACT STATEMENT
and
COST-BENEFIT ANALYSIS**

PART 1: INTRODUCTION

In accordance with the Administrative Procedures Act (APA) [1969 PA 306], the department/agency responsible for promulgating the administrative rules must complete and submit this form electronically to the Office of Regulatory Reinvention (ORR) no less than (28) days before the public hearing [MCL 24.245(3)-(4)]. Submissions should be made by the departmental Regulatory Affairs Officer (RAO) to **orr@michigan.gov**. The ORR will review the form and send its response to the RAO (see last page). Upon review by the ORR, the agency shall make copies available to the public at the public hearing [MCL 24.245(4)].

Please place your cursor in each box, and answer the question completely.

ORR-assigned rule set number:

2012-013 LR

ORR rule set title:

Michigan Boiler Rules

Department:

Licensing and Regulatory Affairs

Agency or Bureau/Division

Boiler Division/Bureau of Construction Codes

Name and title of person completing this form; telephone number:

Shannon Matsumoto, Rules Analyst, (517) 241-6312

Reviewed by Department Regulatory Affairs Officer:

Liz Arasim
Department of Licensing and Regulatory Affairs

PART 2: APPLICABLE SECTIONS OF THE APA

MCL 24.207a “Small business” defined.

Sec. 7a.

“Small business” means a business concern incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00.”

MCL 24.240 Reducing disproportionate economic impact of rule on small business; applicability of section and MCL 24.245(3).

Sec. 40.

(1) When an agency proposes to adopt a rule that will apply to a small business and the rule will have a disproportionate impact on small businesses because of the size of those businesses, the agency shall consider exempting small businesses and, if not exempted, the agency proposing to adopt the rule shall reduce the economic impact of the rule on small businesses by doing all of the following when it is lawful and feasible in meeting the objectives of the act authorizing the promulgation of the rule:

(a) Identify and estimate the number of small businesses affected by the proposed rule and its probable effect on small businesses.

(b) Establish differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

(c) Consolidate, simplify, or eliminate the compliance and reporting requirements for small businesses under the rule and identify the skills necessary to comply with the reporting requirements.

(d) Establish performance standards to replace design or operational standards required in the proposed rule.

(2) The factors described in subsection (1)(a) to (d) shall be specifically addressed in the small business impact statement required under section 45.

(3) In reducing the disproportionate economic impact on small business of a rule as provided in subsection (1), an agency shall use the following classifications of small business:

(a) 0-9 full-time employees.

(b) 10-49 full-time employees.

(c) 50-249 full-time employees.

(4) For purposes of subsection (3), an agency may include a small business with a greater number of full-time employees in a classification that applies to a business with fewer full-time employees.

(5) This section and section 45(3) do not apply to a rule that is required by federal law and that an agency promulgates without imposing standards more stringent than those required by the federal law.

MCL 24.245 (3) “Except for a rule promulgated under sections 33, 44, and 48, the agency shall prepare and include with the notice of transmittal a **regulatory impact statement** containing...” (information requested on the following pages).

[**Note:** Additional questions have been added to these statutorily-required questions to satisfy the **cost-benefit analysis** requirements of Executive Order 2011-5.]

PART 3: DEPARTMENT/AGENCY RESPONSE

Please place your cursor in each box, and provide the required information, using complete sentences. Please do not answer the question with “N/A” or “none.”

Comparison of Rule(s) to Federal/State/Association Standards:

(1) Compare the proposed rule(s) to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist. Are these rule(s) required by state law or federal mandate? If these rule(s) exceed a federal standard, please identify the federal standard or citation, and describe why it is necessary that the proposed rule(s) exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

These rules are required by state law, no federal rules or standards exist.

(2) Compare the proposed rule(s) to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities. If the rule(s) exceed standards in those states, please explain why, and specify the costs and benefits arising out of the deviation.

These rules adopt by reference the National Board Inspection Code 2011 edition, ASME boiler and pressure vessel code, sections I, II, III, IV, V, VIII, IX, X, XI, 2010 edition and its 2011a addenda, ASME piping codes B31.1, and B31.3 2010 edition, and ASME code CSD-1, 2009 edition. These nationally and internationally recognized codes are a minimum standard for the manufacture of boilers and the installation and testing of boilers and piping.

(3) Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rule(s). Explain how the rule has been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

There are no known laws, rules, or other legal requirements that are or may duplicate, overlap, or conflict with the proposed rules.

Purpose and Objectives of the Rule(s):

(4) Identify the behavior and frequency of behavior that the proposed rule(s) are designed to alter. Estimate the change in the frequency of the targeted behavior expected from the proposed rule(s). Describe the difference between current behavior/practice and desired behavior/practice. What is the desired outcome?

R408.4012

Subrule (25) To define the term “incompetence” as it is referenced in the Act under MCL 408.764 for possible actions against registrants or licensees.

Subrule (32) To define the term “maximum operating pressure” as it appears on the boiler inspection certificate. The outcome would be knowledge to all what the term means.

Subrule (46) To define the term “reinstatement” when a license or registration has been suspended by the chief inspector.

R408.4027 Hot water supply boilers 400,000 Btu/Hr input and less are currently tested annually. With the proposed change to triennial testing for hot water supply boilers—similar to current hot water heat boilers—the owner/user can expect to save approximately \$500 over a 3 year period.

R408.4031 The proposed change is to accept an alternative flow sensing device on water tube and coil type boilers using differential temperature sensors (DTS). The ASME CSD-1 code already allows a flow sensing device, but this particular type DTS is not specifically mentioned in the code although it performs the same function. These devices are currently used as original equipment on some high efficiency boilers and will perform the flow sensing function. This will save the owner of a new water tube or coil type boiler approximately \$200 per installation.

R408.4033 (3)(a) The proposed language clarifies what is considered a change of boiler use.

R408.4034 The proposed rule gives industrial plants and utilities guidance on the practices and procedures required to obtain exemption under MCL 408.773 of the Boiler Act. This will insure uniformity of documentation being presented and uniform enforcement.

R408.4035 The proposed rule states specifically who is responsible to pay the permit fee as required in MCL 408.767 of the Act.

R408.4036 The proposed rule states that when multiple contractors are on a boiler job where repair and alteration work is being performed, each contractor must obtain a permit for the part of the work they are performing. This will clarify which licensees are conducting repairs or alterations on a boiler.

R408.4038 The proposed rule establishes a cost of \$30.00 to reprint a registration or boiler certificate. Currently, boiler owners/users and registrants pay the full rate of \$60 to reprint a certificate and \$80 for a registration. This is a cost savings to boiler owners/users and registrants.

R408.4047 The proposed rule eliminates the exemption in subrule (h) because no boiler has been manufactured to meet this exemption in over 4 years.

R408.4055 The proposed rule revision gives an insurance special inspector the same access to a boiler for an inspection as a state deputy inspector. This puts the special inspector on the same footing as the state deputy inspector.

R408.4057 The rule is changed to have certificate inspections submitted by electronic interface in a format acceptable to the boiler division. Those boiler insurance companies that do not wish to submit inspection reports electronically would pay a nominal fee of \$2.00 for the boiler division staff to review and input the data for each paper inspection report. The goal is to go paperless or recoup the cost for inputting paper re-inspection reports.

R408.4058 The proposed rule allows utilities and industrial facilities to extend internal boiler inspections from 24 months to 36 months by meeting certain criteria. The extension would allow these entities to either manufacture more products or generate more electricity with less down time.

R408.4065 The proposed rule indicates that boiler inspector examinations will be conducted at a location selected by the board. There is no cost to the state. This will give the board flexibility if there are no candidates for the examination it could be cancelled. The examination is a single day event so the 2 days are not required any more.

R 408.4067 The proposed rule is changed to align the education degrees accepted for a 2 year credit towards the experience required to be a boiler inspector. Mathematics and science has been added to the list of acceptable degrees for consistency with the type of degrees accepted by the National Board of Boiler and Pressure Vessel Inspectors.

R408.4087 The rule wording changed from “report” to “reporting” because the division has both paper and electronic inspection reporting.

R408.4107 Proposed rule change is to show the cost of reprinting a license once a change of affiliation is recorded into the licensee's file. This is an increase of \$5.00 from \$25 to \$30. The goal is to recoup the actual cost of a license affiliation application review, data entry, and reprinting a license with the new affiliation.

R408.4111 The rule is changed to show the specific rule numbers that apply to all boiler installations.

R408.4125 The rule is changed to increase the fee for business affiliation changes to at \$30.00 from \$25.00 to reflect the cost of updating a licensee's record, reprinting, and mailing a new license.

R408.4129 The rule is changed to show the specific rules numbers that apply to all boiler repairs.

R408.4133 The rule is changed to have certificate inspections submitted by electronic interface in a format acceptable to the boiler division. Boiler insurance companies that do not wish to submit inspection reports electronically would pay a nominal fee of \$2.00 for the boiler division staff to review and input the data for each paper inspection report. The goal is to go paperless or recoup our cost for inputting paper re-inspection reports.

R408.4149 Proposed change is to clarify current violation terminology and practices.

R408.4153 Subrules (1) and (2) are reworded for proper terminology for responsibility and maximum operating pressure. Subrule (3) is being added for a potential safety issue that needed to be addressed because it is not addressed in national codes. The goal is public safety by ensuring a lower pressure boiler cannot be over pressurized by a high pressure boiler connected to the same system.

R408.4157 The rule is changed to have the special insurance inspector issue a violation when there is a

defective boiler. Goal is to document defective boiler for public safety.

R408.4169 The rule is changed so that when a boiler is declared unsafe it must be listed out of service and labeled as condemned. The goal is to ensure the boiler is not to be operated.

R 408.4171 Proposed rule is revised to allow boiler pressure parts to be sent out of state for repair by a company with a certified repair program. The goal is to allow companies to have more choices for pressure part repairs and in turn they may be able to benefit through cost savings.

R408.4172 Section 5 of the Boiler Act MCL 408.755, requires a non-standard boiler be approved for operation and installation by the Board of Boiler Rules. The proposed change provides the owner with guidance on the information required to be presented to the boiler board when seeking approval.

R408.4182 The proposed change clarifies when an installation permit is not required for a kettle. Subrule (3) was added to show that the operating and safety devices specific to steam kettles are referenced in Section VIII of the ASME Code

R408.4193 This rule is revised to show where information on ladders, platforms, and runways installation can be found in the national standards (NBIC). The proposed changes also clarify that the mechanical codes may apply if applicable.

R408.4197 The rule is revised to show where information on clearances between the boilers and other objects can be found in the national standards (NBIC). The proposed changes also clarify that the electrical codes may apply if applicable.

R408.4503 Proposed addition clarifies that examinations and tests are required by the rules, not “the inspector.”

R408.4511 The proposed change specifies that nonvaporizing organic fluid boilers must meet the same ASME CSD-1 standards as other boilers in the rules. The proposed rule also clarifies that boiler systems with expansion tanks, when installed in a system over 30 psi, must meet ASME code requirements as is required for other boiler systems within these rules.

R408.4520 Proposed change clarifies that a violation as identified in R 408.4149 will be issued when a boiler is not properly prepared for an inspection.

R408.4566 Proposed language provides current citations for the pressure relief device inspection and testing in the NBIC.

R408.4570 Rescinded rule as it is in the national ASME code Section IV.

R408.4575 Proposed change updates terminology to conform with the NBIC Code.

(5) Identify the harm resulting from the behavior that the proposed rule(s) are designed to alter and the likelihood that the harm will occur in the absence of the rule. What is the rationale for changing the rule(s) and not leaving them as currently written?

R408.4012

Subrule (25) In the Act, incompetence is a cause for a suspension or revocation of a license. The harm would be not understanding what incompetence is used in licensing actions.

Subrule (32) By not defining the term, there would be questions by owners/users and inspectors as to what the term means as it appears on the inspection certificate.

Subrule (46) The harm by not putting the terminology to reinstatement would not give guidance for its use.

R408.4027 The proposed change moves hot water supply boilers to a triennial testing schedule, the same as is required hot water heat boilers. It is anticipated that owners/users can expect to save approximately \$500 over a 3 year period. If testing remains on the current annual schedule, owners/users will not realize a cost savings.

R408.4031 The harm would be the boiler installer would currently have to install a “flow switch” flow sensing device as an additional control. The rationale is to accept an alternative flow sensing device on water tube and coil type boilers using differential temperature sensors. This will save the owner of a new water tube or coil type boiler approximately \$200 for an installation.

R408.4033 (3) (a) The change clarifies changes of boiler uses, making it clearer to owners, users, inspectors, and licensees. The harm would be industry confusion.

R408.4034 There is no harm. The proposed rule gives industrial plants and utilities guidance on what the practices and procedures are required to obtain the exemption under MCL 408.773 Section 23 of the Boiler Act. The change insures uniformity of documentation being presented for approval.

R408.4035 There is no harm. The revision specifically states by rule who is responsible to pay the permit fees as required in MCL 408.767 of the Act.

R408.4036 When multiple boiler repairers are on a boiler job, it may not be clear who did what work. The change makes sure all licensees are documented by permit for repairs or alterations they are conducting.

R408.4038 Currently, boiler owners/users and registrants are being charged the current fee of \$60 for certificates and \$80 for registrations. The change will result in a cost savings of \$30 to \$50 from the current actual cost of the reprinting.

R408.4047 The harm is that subrule (h) does not fit into the boiler industry. The rationale is a rule rescinded that does not apply to the boiler industry.

R408.4055 Currently, boiler insurance companies do not issue violations where there is no access to the boiler as they are not mentioned in the rule. Instead, they turn over the violation requirements to the deputy state inspectors. Since all inspectors are licensed to do inspections, they should all be on the same footing to access a boiler.

R408.4057 The boiler division moved to an electronic inspection system, Jurisdiction On Line (JOL), in June of 2010. When paper reports are submitted, the boiler office staff has to accept (check in), review the technical data, and manually input the information into the electronic database. The rationale for the proposed language is to encourage insurance companies to electronically interface with JOL. If an insurance company chooses to continue using paper reports, it will pay a fee to the boiler division for the service. The goal is to go paperless and/or recoup the division's cost for inputting paper inspection reports.

R408.4058 The harm would be industrial plants and utilities having to shut down their boilers every 24 months, thus reducing production of goods and electricity. Boiler internal inspections can take up to one week for very large boilers due to the amount of disassembly.

R408.4065 Without the proposed change, the boiler division will continue an antiquated system of receiving an examination from the National Board of Boiler and Pressure Vessel Inspectors and administering it for an 8 hour period monitored by the Chief Inspector and a Boiler Board member. The National Board conducts the commissioned inspectors' examinations at no cost to the State of Michigan at a secure testing facility.

R 408.4067 The harm is the division would be limiting itself to only those boiler inspector applicants that just have an engineering degree. In May of 2012, the division had an applicant with a National Board commission but had a science degree instead of an engineering degree. The applicant had 3 years experience and the division could not give him education credit since he only had a science degree. The National Board of Boiler and Pressure Vessel Inspectors, which issues the inspectors' commissions based on experience, accepts a mathematics and/or a science degree as well as an engineering degree. The proposed change could potentially increase the pool of qualified inspectors.

R408.4087 The rule changes the wording from "report" to "reporting" to adapt to the division's electronic reporting system. There is no harm.

R408.4107 Without the \$5.00 increase, the division will not recoup the actual cost of reporting a license once a change of affiliation is recorded into the licensee's file. The increase covers the actual cost of a license affiliation application review, data entry, and reprinting a license with the new affiliation.

R408.4111 The rule revision clearly documents the boiler codes used to install boilers. As a result, licensees know the specific boiler codes referenced by the rules that they must have as part of their licensee responsibility.

R408.4125 The harm would be the division would not recoup the actual cost of changing a license record, printing, and mailing an updated license. Actual cost is \$30.00 instead of the current \$25.00.

R408.4129 The rule revision clearly documents the boiler codes used to repair boilers. As a result, licensees know the specific boiler codes referenced by the rules that they must have as part of their licensee responsibility.

R408.4133 The boiler division moved to an electronic inspection system, Jurisdiction On Line (JOL), in

June of 2010. When paper reports are submitted, the boiler office staff has to accept (check in), review the technical data, and manually input the information into the electronic database. The rationale for the proposed language is to encourage insurance companies to electronically interface with JOL. If the insurance company chooses to continue using paper reports, they will pay a fee to the boiler division for the service. The goal is to go paperless and/or recoup our cost for inputting paper inspection reports.

R408.4149 The old inspection violation terminology does not fit into the electronic inspection system for violations. The rationale for the change is to clarify current violation terminology and practices used in the electronic inspection system to avoid confusion and incorrect data entry.

R408.4153 For subrules (1) & (2) the rewording does not cause harm and the rationale is to use correct terminology. The harm by not adding subrule (3) would be a lower maximum pressure allowed boiler could be over pressurized by a higher maximum pressure allowed boiler which could cause a major failure of the lower pressure boiler. The rationale is to eliminate a potential safety issue where lives could be in danger.

R408.4157 The way the original rule was written a special inspector (insurance) only had to notify the division, by any means. A boiler could be operating with violations instead of them issuing one.

R408.4169 As it is currently worded, an unsafe boiler may not be listed as out of service.

R 408.4171 As currently written, the rule limits repair options for boiler owners.

R408.4172 The harm would be that an owner would not present proper documentation for the Boiler Board to act on the request for a non-standard boiler installation. The state will allow non standard boilers when they are proven equal or better in design and construction to the ASME code that has been safely in effect in this state since 1922. The rationale is to give guidance to the owner about the information required to be presented to the Boiler Board for seeking this approval.

R408.4182 The current language in subrule (2) may be confusing about when a permit is required. The rationale is to make the permit requirement clearer. The harm for the wording in subrule (3) is inspectors and contractors may not understand the required controls and what code refers to them. The rationale is to impart knowledge.

R408.4193 Inspectors and contractors may not know specifically where in the NBIC to acquire the requirements for the installation of stairways, ladders, platforms, and runways as it was not in the last rules update. Subrule (4) was added to show where clearance requirements are located in the Michigan Mechanical Code.

R408.4197 The harm would be: a) inspectors and contractors would not know specifically where in the NBIC to acquire the requirements for the clearance between boilers and other objects as it was not in the last rules update; and b) by not adding to subrule (4) “and manufacturers installation requirements” for a request for variance we may approve a lesser clearance than a manufacturer of the boiler may allow in the installation document. Subrule (5) was added as the Michigan Electrical Code has clearance requirements a contractor also needs to be aware of. The rationale is to impart knowledge as where the installation requirements can be acquired. If a request for variance shows a clearance of less than 24” the boiler division must receive the boiler manufacturer’s clearance requirement so approval can be granted properly.

R408.4503 Subjectivity is removed by specifying that examinations and tests are required by the rules rather than an individual.

R408.4511 The harm in subrule (5) would be these boilers would not have the same installation and testing requirements for controls and safety devices as all other boilers in the rules. This may lead to possible failure of the boiler safety controls resulting in a safety issue. The proposed change is to have these types of boilers meet the same CSD-1 standards as other boilers have in the rules. Without the addition of subrule (6), you could have a boiler with a maximum operating pressure significantly higher than the expansion tank. As in all other low pressure codes, the expansion tank would be ASME rated when the boiler pressure is above 30 psi. This requirement currently is not found in any national code for these organic fluid boilers. The rationale to have the installation and testing of controls meet the standard of all other boilers would be for safe operation of the boilers. The addition of the expansion tank paragraph is to ensure that expansion tanks are built to an ASME code standard for safety reasons.

R408.4520 Owners may not be aware that a boiler should be properly prepared for an inspection. The

proposed rule change clearly states that a violation will be issued to an owner/user and inspector when a boiler is not made ready for an inspection.

R408.4566 Wrong NBIC paragraphs will be cited unless the rule is brought up to the current code.

R408.4570 There is no harm as this is in the national ASME code Section IV.

R408.4575 Terminology is being updated. There is no harm.

(6) Describe how the proposed rule(s) protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

R408.4012 (25) Incompetence as used in the Act is a cause for a suspension or revocation of a license.

(32) The proposed rule defines the term used on the inspection certificate, “maximum operating pressure”. This explains what is meant for the boilers operating system maximum pressure.

(46) Added the term “reinstatement” of a license or registration when they have had it suspended.

These definitions are not burdensome for Michigan citizens.

R408.4027 The proposed rule is less burdensome to the boiler owner/user as it changes hot water supply boilers to a triennial testing frequency. The division does not have any documented control failures of hot water supply boiler of this size so reducing the frequency would not create a safety concern.

R408.4031 The proposed rule accepts an alternative flow sensing device on water tube and coil type boilers using differential temperature sensors currently installed as original equipment but not in the national code. The differential temperature devices have proven themselves to be an effective means to sense the flow across a boiler’s inlet and outlet. This addition will continue to protect the safety, and welfare of Michigan citizens.

R408.4034 The proposed rule addition provides industrial plants and utilities with guidance on the practices and procedures required to obtain the exemption under MCL 408.773, Section 23, of the Boiler Act 290. The addition will continue to protect the safety, and welfare of Michigan citizens.

R408.4035 The proposed rule clarifies who is responsible for permit payments.

R408.4036 The proposed rule would show what is currently happening in the industry. This addition will continue to protect the safety, and welfare of Michigan citizens.

R408.4038 Without the proposed revision to the rule, boiler owners/users and registrants would be charged the current fee of \$60 for certificates and \$80 for registrations. This is less burdensome since it would be a cost savings of \$30 to \$50 from the current fees. This addition will continue to protect the safety, and welfare of Michigan citizens.

R408.4047 The boiler industry does not make a boiler that would fall within the current exemption. The rules committee decided the rule should be eliminated. The elimination will not negatively affect the protection of the safety, and welfare of Michigan citizens.

R408.4055 The public is protected when access is gained for inspection by any licensed boiler inspector. When access is not granted, the boiler can become overdue for inspection and potential safety issues may not be found in a timely manner. This is not burdensome as the owner/user is required to have the boiler inspected by the inspection certificate expiration date. This addition will continue to protect the safety, and welfare of Michigan citizens.

R408.4057 The boiler division went to an electronic system (Jurisdiction On Line) in June of 2010. Insurance companies now have the ability to submit certificate inspections electronically. This should make submission of required paperwork easier and faster for insurance companies who choose to use this option. Those companies who do not will be required to pay a fee for the service of manually handling required paperwork.

R408.4058 The rule promotes the regulatory environment by allowing utilities and industrial facilities to extend the internal boiler inspection from 24 months to 36 months. This will allow these entities to either manufacture more products or generate more electricity with less down time which makes it less burdensome. This will not harm the health, welfare, and safety of Michigan citizens.

R408.4065 This addition will continue to protect the safety and welfare of Michigan citizens. The licensed boiler inspectors will continue to be properly tested and commissioned. The examination for the

commission will be conducted at a secure testing site by the National Board of Boiler and Pressure Vessel Inspectors, the same organization that develops the tests.

R 408.4067 The proposed change would give the division more flexibility in hiring a boiler inspector. Currently the state is limited to boiler inspector candidates with an engineering degree. This is consistent with the National Board of Boiler and Pressure Vessel Inspectors who accept a mathematics, science, or engineering degree when evaluating education and experience for issuing commissions.

R408.4087 The rule was changed to clarify wording from term “report” to “reporting” in recognition of the division’s use of an electronic reporting system. There is no effect on Michigan citizens and businesses.

R408.4107 A \$5.00 increase from \$25.00 to \$30.00 for the cost of reprinting a license once a change of affiliation is recorded into the licensees file allows the division to recoup the actual license reprint cost.

R408.4111 The rule revision will specify rules licensed installers need to follow when installing a boiler. The added language protects the safety and welfare of Michigan citizens.

R408.4125 Businesses will see a \$5.00 fee increase to change licensee data, print a new license, and mail it out when an affiliation change is made. There is no effect on the health, safety, and welfare of Michigan citizens.

R408.4129 The rule additions document the specific rules licensed installers need to follow when repairing a boiler. The added language protects the safety and welfare of Michigan citizens. **R408.4133**

The boiler division moved to an electronic inspection system, Jurisdiction On Line (JOL), in June of 2010. When paper reports are submitted, the boiler office staff has to accept (check in), review the technical data, and manually input the information into the electronic database. The rationale for the proposed language is to encourage insurance companies to electronically interface with JOL. If the insurance company chooses to continue using paper reports, they will pay a fee to the boiler division for the service. The goal is to go paperless and/or recoup our cost for inputting paper inspection reports.

R408.4149 By using current terminology properly, code violations will be issued correctly. This addition will continue to protect the safety and welfare of Michigan citizens.

R408.4153 Subrules (1) & (2) are reworded for proper terminology for responsibility and maximum operating pressure. Subrule (3) was added to address a potential safety issue where a lower maximum pressure allowed boiler could be over pressurized by a higher maximum pressure allowed boiler which could cause a major failure of the lower pressure boiler. This protects the safety and welfare of Michigan citizens by eliminating a potential danger.

R408.4157 The change could be beneficial to Michigan citizens. When a boiler is found by an insurance special inspector and the boiler condition is in violation, (will not insure), of the codes the inspector must issue a notice of violation. Currently as it is written just a report is sent to department. An official violation as referenced in R408.4149 to explain code deficiencies would put the division into action to get them corrected to protect citizens.

R408.4169 Unsafe boilers will be declared out of service so the owner/user cannot operate it. This protects the safety and welfare of Michigan citizens.

R 408.4171 Boiler pressure parts that are repaired out of state or reinstalled in the state must be made in accordance with the NBIC. This language protects the safety and welfare of Michigan citizens. **R408.4172** This addition will continue to protect the safety and welfare of Michigan citizens by allowing the use of nonstandard boilers that are proven equal or better in design and construction to the ASME code that has been safely in effect in this state since 1922.

R408.4182 These additions will continue to protect the safety and welfare of Michigan citizens. These rule additions clarify when a permit is required and what operating and safety devices specific to steam kettles are referenced in Section VIII of the ASME Code.

R408.4193 This addition will continue to protect the safety and welfare of Michigan citizens by giving guidance to owners/users and contractors on where code information can be obtained for these devices before installation.

R408.4197 These additions give guidance to owners/users and contractors where code information can be obtained for required clearances before boiler installation.

R408.4503 An owner or user will know the boiler exam and tests that are required by the rules and that will take the possible subjectivity out of an inspection. This would make it less burdensome by knowing what is required.

R408.4511 This addition specifies that nonvaporizing organic fluid boilers must meet the same ASME CSD-1 standards as other boilers in the rules. This will protect the safety and welfare of Michigan citizens by having the same installation and testing requirements for this small segment of boilers. This will not be burdensome for business.

R408.4520 Currently, it isn't clear that not having a boiler ready for inspect on is a violation. This addition will continue to protect the safety and welfare of Michigan citizens. Should a boiler not be opened for an internal inspection by the owner or user, the boiler could have serious internal corrosion or erosion that could cause a failure. Issuing a certificate blocking violation would document the non compliance and mandate legal compliance.

R408.4566 The referenced code sections bring the rule to the current standard. The change will not be burdensome.

R408.4570 Rule is rescinded so it is less burdensome and the referenced code in ASME Code Section IV, Heating Boilers, is equal to the current rule set. This addition will continue to protect the safety, and welfare of Michigan citizens.

R408.4575 The rule updates terminology to that used in the NBIC.

(7) Describe any rules in the affected rule set that are obsolete, unnecessary, and can be rescinded.

R408.4047 The proposed rule eliminates the exemption in sub paragraph (h) because there has not been a boiler manufactured to meet this exemption over the past 4 years.

R408.4570 The language in this rule is unnecessary as the national standard ASME code, Section IV, has similar wording.

Fiscal Impact on the Agency:

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, an increase in the cost of a contract, programming costs, changes in reimbursement rates, etc. over and above what is currently expended for that function. It would not include more intangible costs or benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

(8) Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings on the agency promulgating the rule).

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

There is no additional fiscal impact to the agency beyond the current operational cost.

(9) Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rule(s).

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

The proposed rules will not result in additional fiscal impact on the agency. Thus there is no need for additional appropriations or funding source as a result of the changes to the rules.

Impact on Other State or Local Governmental Units:

(10) Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions on other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Please include the cost of equipment, supplies, labor, and increased administrative costs, in both the initial imposition of the rule and any ongoing monitoring.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

There is no expected increase or decrease in revenues to other state or local governmental units as a result of the proposed rules.

R408.4027 If a state or local governmental unit uses hot water supply boilers with a Btu/hr input of equal to or less than 400,000, the change from annual to triennial testing will save those governmental units approximately \$500 over a 3 year period. The number of governmental units using this type of boiler is not known.

(11) Discuss any program, service, duty or responsibility imposed upon any city, county, town, village, or school district by the rule(s). Describe any actions that governmental units must take to be in compliance with the rule(s). This section should include items such as record keeping and reporting requirements or changing operational practices.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

These proposed rules should not impose any additional program, service, duty or responsibility upon any city, county, town, village, or school district.

(12) Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rule(s).

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

These proposed rules will not require an appropriation to state or local units of government for additional expenditures.

Rural Impact:

(13) In general, what impact will the rules have on rural areas? Describe the types of public or private interests in rural areas that will be affected by the rule(s).

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

These proposed rules affect the State of Michigan as a whole. There will be no specific impact on rural areas.

Environmental Impact:

(14) Do the proposed rule(s) have any impact on the environment? If yes, please explain.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

These proposed rules will have no impact on the environment.

Small Business Impact Statement:

[Please refer to the discussion of “small business” on page 2 of this form.]

(15) Describe whether and how the agency considered exempting small businesses from the proposed rules.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

Small business would not be exempted from these proposed rules.

(16) If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rule(s) on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rule(s) upon small businesses as described below (in accordance with MCL 24.240(1)(A-D)), or (b) the reasons such a reduction was not lawful or feasible.

R408.4027 Small businesses using hot water supply boilers with a Btu/hr input of equal to or less than 400,000 will go from annual to triennial testing. This will save those small businesses approximately \$500 over a 3 year period. There are upwards of 4,500 hot water supply boilers within the State of Michigan. The number of small businesses using this type of boiler is not known.

R408.4031 A boiler installer’s company currently would have to install a “flow switch” style of flow sensing device as an additional safety control. The proposed rule change would allow the use of an alternative flow sensing device manufactured into some water tube and coil type boilers. This will save a small business owner using a new water tube or coil type boiler approximately \$200 on a boiler installation.

(A) Identify and estimate the number of small businesses affected by the proposed rule(s) and the probable effect on small business.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

The number of small businesses affected by the proposed rules is not known.

(B) Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

Small businesses were not singled out for differing compliance or reporting requirements or timetables.

(C) Describe how the agency consolidated or simplified the compliance and reporting requirements and identify the skills necessary to comply with the reporting requirements.

R408.4027 For Permits the triennial testing frequency of hot water supply boilers. This simplifies the reporting to once every three years instead of yearly.

(D) Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

R408.4024, R408.4025, R408.4027, and R408.4032. These rule adopt by reference the National Board

Inspection Code 2011 edition, ASME boiler and pressure vessel code, sections I, II, III, IV, V, VIII, IX, X, XI, 2010 edition and its 2011a addenda, and ASME piping codes B31.1, and B31.3 2010 edition, and ASME code CSD-1, 2009 edition. These are nationally and internationally recognized codes as a minimum standard for the manufacturer of boilers and installation and testing of boilers and piping. There are no operational standards in the proposed rules.

(17) Identify any disproportionate impact the proposed rule(s) may have on small businesses because of their size or geographic location.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

The proposed rules have no disproportionate impact on small businesses because of their size or geographic location.

(18) Identify the nature of any report and the estimated cost of its preparation by small business required to comply with the proposed rule(s).

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

There are no reports required for small businesses to comply with the proposed rules.

(19) Analyze the costs of compliance for all small businesses affected by the proposed rule(s), including costs of equipment, supplies, labor, and increased administrative costs.

R408.4027, R408.4031, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4065, R408.4067, R408.4107, R408.4111, R408.4129, R408.4133, R408.4149, R4153, R408.4171, R408.1772, R408.4182, R408.4193, R408,4197, R408.4503, R408.4566, R408.4570, R408.4575.

These proposed rules should not result in any additional cost for small businesses.

(20) Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rule(s).

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408,4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

There are no legal, consulting, or accounting service costs that small business would incur in complying with the proposed rules.

(21) Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

R408.4024, R408.4025, R408.4027, and R408.4032 The requirements set in the ASME and NBIC codes and these proposed rules will have little if any impact on small businesses. The ASME and NBIC codes had minor revisions from the previous accepted year and should not impact business. The remaining rule revisions are structured to have little to no effect on all businesses. Some changes create additional flexibility such as R408.4058, allowing internal inspection frequencies from 24 months to 36 months and R408.4172 allowing non-standard boilers after proven safe (ASME compatible).

(22) Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408.4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

There is no additional fiscal impact to the agency beyond the current operational cost.

(23) Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408.4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

Exempting or setting lesser standards of compliance for small businesses with respect to the proposed rules and codes may have a negative effect on the health, safety, and welfare of the citizens of the State of Michigan. Consequently, the division did not exempt small businesses or set lower standards for these businesses.

(24) Describe whether and how the agency has involved small businesses in the development of the proposed rule(s). If small business was involved in the development of the rule(s), please identify the business(es).

Businesses on the boiler rule committee that are considered small are: R. L. Deppmann Co., Diversified Heating & Cooling, Myers Plumbing and Heating Inc., Dean Boiler, W R Bradley.

Cost-Benefit Analysis of Rules (independent of statutory impact):

(25) Estimate the actual statewide compliance costs of the rule amendments on businesses or groups. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rule(s). What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

R408.4027 Small and large businesses that have hot water supply boilers with a Btu/hr input of equal to or less than 400,000, will go from annual to triennial testing. This will save those small businesses approximately \$500 over a 3 year period. There are upwards of 4,500 hot water supply boilers within the State of Michigan that will have these savings.

R408.4031 The boiler installer's company currently would have to install a "flow switch" style of flow sensing device as an additional safety control. The proposed rule change would allow the use of an alternative flow sensing device manufactured into some water tube and coil type boilers. This will save the large and small business owner of a new water tube or coil type boiler approximately \$200 on a boiler installation.

R408.4038 Reprinting boiler certificates and operator registrations is a cost savings of \$30 and up to \$50 from the current actual fee of \$60 for certificates and \$80 for registrations. It is unclear as to the estimated number of reprints that may occur. There are 70,200 boilers and 1,350 boiler operator registrants in Michigan; however, the division only receives a small number of reprint requests.

R408.4057 and **R408.4133** Boiler insurance companies who send paper reinspection reports for the bureau to input rather than submit them by an electronic interface will be charged a processing fee of \$2.00 a report. Currently there are three out of 12 companies that send in paper reports for the division to input.

R408.4107 Both small and large companies/licensees would be affected by an increase of \$5.00 to

complete a change of affiliation. There is no data to show how many changes are processed annually but there are very few.

(26) Estimate the actual statewide compliance costs of the proposed rule(s) on individuals (regulated individuals or the public). Please include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping). How many and what category of individuals will be affected by the rules? What qualitative and quantitative impact does the proposed change in rule(s) have on these individuals?

R408.4057 and **R408.4133** Boiler insurance companies who send the division paper re-inspection reports for the bureau to input rather than submit them by an electronic interface will be charged a processing fee of \$2.00 a report. Currently there are three out of 12 companies that send in paper reports for the division to input. Over the next year (from 7/3/2012) there are 30,960 boilers due for inspection. The three companies have 7,250 boilers to be inspected. Should all those inspection occur there will be a potential of \$14,500 charged back to the companies for the input of the paper inspection reports.

R408.4107 Licensees would be affected by an increase of \$5.00 to complete a change of affiliation. There is no data to show how many changes are processed annually but there are very few.

(27) Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rule(s).

As mentioned in ITEM-5:

R408.4027, Businesses, individuals, groups of individuals, or governmental units that have a hot water supply boiler can expect to save approximately \$500 over a 3 year period if the required testing changes from every year to every three years (triennially). There are approximately 4,500 hot water supply boilers were the owner would have cost reduction.

R408.4031 The proposed change allows the use of an alternative flow sensing device on water tube and coil type boilers using differential temperature sensors. This will save the owner of a new water tube or coil type boiler approximately \$200 for an installation. It is unclear as to an actual number, but these types of boilers are the most popular for small size heating applications.

R408.4038 Reprinting boiler certificates and operator registrations should see a cost savings of \$30 to \$50 from the current actual fee of \$60 certificates and \$80 for registrations. It is unclear as to the estimated number of reprints that may occur. There are 70,200 boilers and 1,350 boiler operator registrants in Michigan; however, the division only receives a small number of reprint requests.

(28) Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rule(s). Please provide both quantitative and qualitative information, as well as your assumptions.

R408.4027 There are approximately 4,500 hot water supply boilers in Michigan. The owners of these boilers can expect to save approximately \$500 over a 3 year period if the required testing moves from annually to triennially.

R408.4031 The proposed change allows the use of an alternative flow sensing device on water tube and coil type boilers using differential temperature sensors. This will save the owner of a new water tube or coil type boiler approximately \$200 for an installation. An indirect benefit for boiler installers is one less control that would need to be installed and tested thus saving time and money.

(29) Explain how the proposed rule(s) will impact business growth and job creation (or elimination) in Michigan.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408.4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

The proposed rules would not inhibit business growth or job creation in the State of Michigan.

(30) Identify any individuals or businesses that will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408.4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

It is not expected any business or individual will be negatively impacted by the proposed rules.

(31) Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of a proposed rule(s) and a cost-benefit analysis of the proposed rule(s). How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rule(s).

The boiler numbers were obtained from the Jurisdiction On Line database that is used to store 111,900 boiler records of which 70,200 are active boilers. The savings estimated for **R408.4027** and **R408.4031** were supplied by members of the rules committee who are in the industry.

Alternatives to Regulation:

(32) Identify any reasonable alternatives to the proposed rule(s) that would achieve the same or similar goals. In enumerating your alternatives, please include any statutory amendments that may be necessary to achieve such alternatives.

R408.4012, R408.4027, R408.4031, R408.4033, R408.4034, R408.4035, R408.4036, R408.4038, R408.4047, R408.4055, R408.4057, R408.4058, R408.4065, R408.4067, R408.4087, R408.4107, R408.4111, R408.4125, R408.4129, R408.4133, R408.4149, R408.4153, R408.4157, R408.4169, R408.4171, R408.4172, R408.4182, R408.4193, R408.4197, R408.4503, R408.4511, R408.4520, R408.4566, R408.4570, R408.4575.

There are not any reasonable alternatives to the proposed rules that have been identified that would achieve the same or similar goals.

(33) Discuss the feasibility of establishing a regulatory program similar to that proposed in the rule(s) that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

The proposed rules are enforced by the bureau and boiler insurance companies. Other states in the Midwest region use the same formula where both the state and insurance companies enforce the rules. For a boiler insurance company to enforce the program rules the owner/user of the boiler(s) purchases boiler insurance. Currently 60% of the 70,200 boilers in Michigan are inspected by insurance companies

(34) Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rule(s). This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

There were no significant alternatives presented for the bureau and rules committee to consider.

Additional Information

(35) As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

Not applicable.

Date Regulatory Impact Statement (RIS) received:

3-11-2013

Date RIS approved:

3-21-2013

ORR assigned rule set number:

2012-013 LR

Date of disapproval:

Explain:

More information needed:

Explain:

(ORR-RIS January 2012)