

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 12-0758.01 Kristen Forrestal x4217

**HOUSE BILL 12-1217**

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**HOUSE SPONSORSHIP**

Tyler,

**SENATE SPONSORSHIP**

(None),

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**House Committees**

Economic and Business Development

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE AUTHORITY OF AN ORGANIZATION THAT MAINTAINS**  
102 **A REGULARLY ESTABLISHED INSPECTION DEPARTMENT TO**  
103 **CONDUCT INSPECTIONS OF ITS OWN PRESSURE-RETAINING**  
104 **ITEMS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill allows an owner or user of boilers or pressure vessels who maintains a regularly established inspection department, and whose

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
Amended 2nd Reading  
February 21, 2012

organization and inspection procedures meet the requirements of the national board of boiler and pressure vessel inspectors rules to conduct inspection of its nonexempt boilers and pressure vessels, to utilize qualified inspection personnel. In order to be qualified to inspect its own boilers and pressure vessels, the owner or user must apply to the director of the division of oil and public safety, meet specific requirements, and provide information to the director.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 9-4-101, **add** (14.3)  
3 and (14.5) as follows:

4 **9-4-101. Definitions.** (14.3) "OWNER-USER INSPECTION  
5 ORGANIZATION" MEANS AN OWNER OR USER OF PRESSURE-RETAINING  
6 ITEMS WHO MAINTAINS A REGULARLY ESTABLISHED INSPECTION  
7 DEPARTMENT, AND WHOSE ORGANIZATION AND INSPECTION PROCEDURES  
8 MEET THE REQUIREMENTS OF THE NATIONAL BOARD OF BOILER AND  
9 PRESSURE VESSEL INSPECTORS RULES OR THE AMERICAN PETROLEUM  
10 INSTITUTE'S API 510 PROGRAM AND ARE ACCEPTABLE TO THE DIRECTOR.

11 (14.5) "OWNER-USER INSPECTOR" MEANS AN INSPECTOR WHO  
12 HOLDS A VALID NATIONAL BOARD OF BOILER AND PRESSURE VESSEL  
13 INSPECTORS OWNER-USER INSPECTOR COMMISSION AND WHO HAS PASSED  
14 THE EXAMINATION PRESCRIBED BY THE NATIONAL BOARD OR IS AN  
15 AMERICAN PETROLEUM INSTITUTE CERTIFIED INSPECTOR UNDER A  
16 JURISDICTIONALLY APPROVED OWNER-USER INSPECTION ORGANIZATION.

17 **SECTION 2.** In Colorado Revised Statutes, **add** 9-4-110.5 as  
18 follows:

19 **9-4-110.5. Owner-user inspection organizations - registration.**

20 (1) A PERSON, FIRM, PARTNERSHIP, OR CORPORATION OPERATING BOILERS  
21 OR PRESSURE VESSELS MAY SEEK APPROVAL AND REGISTRATION AS AN  
22 OWNER-USER INSPECTION ORGANIZATION BY FILING AN APPLICATION WITH

1 THE DIRECTOR ON PRESCRIBED FORMS.

2 (2) THE APPLICANT SHALL SHOW THE NAME OF THE ORGANIZATION  
3 AND ITS PRINCIPAL ADDRESS AND THE NAME AND ADDRESS OF THE PERSON  
4 OR PERSONS HAVING SUPERVISION OVER INSPECTIONS MADE BY THE  
5 ORGANIZATION ON THE APPLICATION AND REGISTRATION. THE APPLICANT  
6 SHALL REPORT CHANGES IN SUPERVISORY PERSONNEL TO THE DIRECTOR  
7 WITHIN THIRTY DAYS AFTER THE CHANGE.

8 (3) EACH OWNER-USER INSPECTION ORGANIZATION SHALL:

9 (a) CONDUCT INSPECTION OF ITS NONEXEMPT BOILERS AND  
10 PRESSURE VESSELS, UTILIZING ONLY QUALIFIED INSPECTION PERSONNEL;

11 (b) RETAIN ON FILE AT THE LOCATION WHERE EQUIPMENT IS  
12 INSPECTED A TRUE RECORD OR COPY OF THE REPORT OF EACH INSPECTION  
13 SIGNED BY THE OWNER-USER INSPECTOR WHO MADE THE INSPECTION;

14 (c) PROMPTLY NOTIFY THE DIRECTOR OF ANY BOILER OR PRESSURE  
15 VESSEL THAT DOES NOT MEET REQUIREMENTS FOR SAFE OPERATION;

16 (d) MAINTAIN INSPECTION RECORDS THAT INCLUDE A LIST OF  
17 NONEXEMPT BOILERS AND PRESSURE VESSELS, SHOWING THE SERIAL  
18 NUMBER AND THE ABBREVIATED DESCRIPTION AS MAY BE NECESSARY FOR  
19 IDENTIFICATION, THE DATE OF THE LAST INSPECTION OF EACH UNIT, THE  
20 APPROXIMATE DATE OF THE NEXT INSPECTION, AND DOCUMENTATION OF  
21 ALL REPAIRS. SUCH INSPECTION RECORDS SHALL BE READILY AVAILABLE  
22 FOR EXAMINATION BY THE DIRECTOR, THE CHIEF BOILER INSPECTOR, OR  
23 THEIR DESIGNEE DURING BUSINESS HOURS.

24 (e) TRANSMIT A STATEMENT ANNUALLY TO THE DIRECTOR, ON A  
25 DATE MUTUALLY AGREED UPON. THE INDIVIDUAL HAVING SUPERVISION  
26 OVER THE INSPECTIONS MADE DURING THE PERIOD COVERED SHALL SIGN  
27 THE STATEMENT AND SHALL INCLUDE THE NUMBER OF VESSELS INSPECTED

1 DURING THE YEAR AND SHALL CERTIFY THAT EACH INSPECTION WAS  
2 CONDUCTED IN ACCORDANCE WITH THE INSPECTION REQUIREMENTS IN THE  
3 COLORADO BOILER AND PRESSURE VESSEL RULES.

4 (4) A STATE-ISSUED CERTIFICATE OF INSPECTION IS REQUIRED FOR  
5 BOILERS AND PRESSURE VESSELS INSPECTED BY AN OWNER-USER  
6 INSPECTION ORGANIZATION WHEN ALL OF THE REQUIREMENTS IN THIS  
7 SECTION ARE MET.

8 (5) AN INDIVIDUAL OR ORGANIZATION PERFORMING AN INSPECTION  
9 PURSUANT TO THIS SECTION SHALL HAVE LIABILITY INSURANCE  
10 APPROPRIATE FOR THE SIZE AND SCOPE OF THE RELEVANT INSPECTION.

11 **SECTION 3. Act subject to petition - effective date.** This act  
12 takes effect at 12:01 a.m. on the day following the expiration of the  
13 ninety-day period after final adjournment of the general assembly (August  
14 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a  
15 referendum petition is filed pursuant to section 1 (3) of article V of the  
16 state constitution against this act or an item, section, or part of this act  
17 within such period, then the act, item, section, or part will not take effect  
18 unless approved by the people at the general election to be held in  
19 November 2012 and, in such case, will take effect on the date of the  
20 official declaration of the vote thereon by the governor.