

Dear Senators PATRICK, Souza, Ward-Engelking, and
Representatives DIXON, Furniss, Berch:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of
the Department of Insurance:

IDAPA 18.08.02 - Fire Protection Sprinkler Contractors (ZBR Chapter Rewrite, Fee Rule) - Proposed
Rule (Docket No. 18-0802-2201F).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 09/06/2022. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 10/03/2022.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4854, or send a written request to the address on the
memorandum attached below.



Terri Kondeff
Director

Legislative Services Office

Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Business Committee

FROM: Principal Legislative Drafting Attorney - Elizabeth Bowen

DATE: August 18, 2022

SUBJECT: Department of Insurance

IDAPA 18.08.02 - Fire Protection Sprinkler Contractors (ZBR Chapter Rewrite, Fee Rule) - Proposed Rule (Docket No. 18-0802-2201F)

Summary and Stated Reasons for the Rule

This proposed rule, regarding fire protection sprinkler contractors, is a chapter rewrite that clarifies language and removes duplicative or unnecessary language. The rule imposes fees relating to applications and licensure, but the fees were approved by the Legislature under prior rulemaking. No fee is being increased.

Negotiated Rulemaking / Fiscal Impact

Negotiated rulemaking was conducted. There is no anticipated negative fiscal impact on the state general fund.

Statutory Authority

This rulemaking appears to be authorized pursuant to Sections 41-211 and 41-254, Idaho Code, and Chapter 9, Title 41, Idaho Code.

cc: Department of Insurance
Weston Trexler

*** PLEASE NOTE ***

Per the Idaho Constitution, all administrative rules may be reviewed by the Legislature during the next legislative session. The Legislature has 3 options with this rulemaking docket: **1)** Approve the docket in its entirety; **2)** Reject the docket in its entirety; or **3)** Reject the docket in part.

Paul Headlee, Deputy Director Kristin Ford, Manager Keith Bybee, Manager April Renfro, Manager Glenn Harris, Manager
Legislative Services Office Research & Legislation Budget & Policy Analysis Legislative Audits Information Technology

Statehouse, P.O. Box 83720
Boise, Idaho 83720-0054

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IDAPA 18 – DEPARTMENT OF INSURANCE
18.08.02 – FIRE PROTECTION SPRINKLER CONTRACTORS
DOCKET NO. 18-0802-2201F (ZBR CHAPTER REWRITE, FEE RULE)
NOTICE OF RULEMAKING – PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 41-211, 41-254 and Chapter 9, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing concerning this rulemaking will be held as follows:

Tuesday, July 26, 2022 2:00 p.m. to 3:30 p.m. (MT)
<i>In-person participation is available at:</i> Department of Insurance 700 W State Street, 3rd Floor Conference Room A Boise, ID 83702
<i>Phone or virtual participation via Webex is available at:</i> Join WebEx Meeting Meeting Number (Access Code): 2451 825 4219 Meeting Password: fN4m3AqFSr3
<i>Join by phone at: 1-720-650-7664</i>

The hearing sites will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The purpose of this rule specifies requirements of fire sprinkler systems by qualified personnel. This includes all facets of fire sprinklers and bonding of personnel and organizations. This rulemaking clarifies language and removes duplicative or unnecessary language.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously approved and codified in the prior rules. This fee or charge is being imposed pursuant to Section 41-401, Idaho Code. The fees within this rulemaking apply to the State Fire Marshal's actions on applications and licenses (014).

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year as a result of this rulemaking: None.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the April 6, 2022 Idaho Administrative Bulletin, [Vol. 22-04, pages 37-38](#), under Docket No. 18-ZBRR-2201.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Weston Trexler, (208) 334-4214, weston.trexler@doi.idaho.gov.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before July 27, 2022.

DATED this June 3, 2022.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID, 83720-0043
Phone: (208) 334-4250
Fax: (208) 334-4398

**THE FOLLOWING IS THE PROPOSED TEXT OF FEE DOCKET NO. 18-0802-2201
(Zero Based Regulation (ZBR) Chapter Rewrite)**

18.08.02 – FIRE PROTECTION SPRINKLER CONTRACTORS

000. LEGAL AUTHORITY.

Title 41, Chapter 2, Section 41-254(2), (3) and Chapter 9. ()

001. SCOPE.

This rule ensures that only qualified persons and organizations install and maintain fire sprinkler systems and their appurtenances. ()

002. -- 009. (RESERVED)

010. DEFINITIONS.

01. Fire Protection Sprinkler System (FPS System). An integrated system of underground and overhead piping designed to meet fire protection engineering standards. This system includes a water supply, such as a gravity tank, fire pump, reservoir or pressure tank or connection by underground piping to a water supply. The part of the system above ground is a network of specially sized, or hydraulically designed, piping installed in a building, structure or area, generally overhead, and to which sprinklers are connected in a systematic pattern. The system includes a control valve and a device to activate an alarm when the system operates. The system usually is activated by heat from a fire and discharges water over the fire area. ()

02. Fire Protection Sprinkler Contractor (FPS Contractor). Persons who contract to install, repair, modify, or maintain FPS Systems. ()

03. Fitters. Persons who install and maintain FPS Systems while supervised by an FPS Contractor.

()

04. Responsible Maintenance Employee. Anyone employed by an owner of premises with an FPS System, who regularly inspects and maintains the FPS System per the maintenance checklist provided by the State Fire Marshal. ()

011. QUALIFICATIONS FOR FPS CONTRACTOR LICENSE.

Applicants for an FPS Contractor license will meet these minimum qualifications: ()

01. Owner, Officer or Manager. The applicant is a sole proprietor or an owner, officer or manager of their company. ()

02. Examination, Education or Experience. The applicant needs to: ()

a. Pass an examination prescribed by the State Fire Marshal and provide proof the applicant has supervised or installed at least four (4) fire sprinkler systems of more than two hundred (200) heads each; or ()

b. Provide proof of successful attainment of Level III Certification in fire protection, Automatic Sprinkler System Design from the National Institute for Certification in Engineering Technologies or equivalent. ()

012. LICENSE REQUISITE.

No one may act or advertise as an FPS Contractor without a license. ()

013. LICENSE, DISPLAY, RENEWALS, DUPLICATES, APPLICATIONS.

01. Time Period. Licenses are valid for up to one (1) year and expire on the 31st day of December of each year, regardless of the month issued. Unrestricted licenses may be renewed with proper fee. ()

02. Bids Will Bear License Number. Written bids, proposals and offers, and shop and field installation drawings will bear the FPS Contractor's license number. ()

03. Forms and Fees. License applications will be on forms prescribed by the State Fire Marshal and accompanied by the prescribed fee. ()

014. ACTION ON APPLICATIONS AND LICENSE FEES.

01. Investigation of Applicants. Within one hundred and twenty (120) days after the applicant files a complete application and pays prescribed fees, the State Fire Marshall will investigate the applicant as the State Fire Marshal deems appropriate. ()

02. Fees. License fees for FPS Contractors are: ()

a. Examination Fee -- Twenty-five dollars (\$25). ()

b. License Fee -- Four hundred dollars (\$400). ()

c. Annual License Renewal Fee -- One hundred dollars (\$100). ()

d. Duplicate License Fee -- Ten dollars (\$10). ()

e. Branch Office Fee -- One hundred dollars (\$100). ()

f. Examination fees, when paid, are not subject to refund. ()

03. Branch Office License. Branch offices of a licensed firm doing business in Idaho need to obtain a branch office license. Each license needs to provide a shop or a vehicle as a place of business properly equipped and

subject to the authority's inspection. A separate license is needed for each business location. An advertisement for installing or maintaining an FPS System is prima facie evidence that the premises, building, room, shop, store, or establishment in or upon which it appears or to which it refers, is a separate business location. ()

015. FINANCIAL RESPONSIBILITY.

01. Bonding. ()

a. Each FPS Contractor and applicant for an FPS Contractor's license will put up at least a two thousand dollars (\$2,000) bond in favor of the state of Idaho by a surety company authorized to do business in Idaho. ()

b. The bond exists until the State Fire Marshal releases it or the surety cancels it. Without prejudicing liability previously incurred, the surety may cancel the bond with thirty (30) days advance notice to the contractor and State Fire Marshal. ()

02. Insurance. Before the FPS Contractor license issues, the applicant will obtain a full-term comprehensive general liability insurance policy from an insurance company authorized to do business in Idaho. The policy will have aggregate limits of at least two hundred fifty thousand dollars (\$250,000) and include provisions as requested by the SFM. ()

016. REVOCATION, SUSPENSION, AND NON-RENEWAL OF LICENSE.

01. Causes for Revocation, Suspension, or Refusal to Renew License. The State Fire Marshal may suspend, revoke, or refuse to renew an FPS Contractor's license for reasons including: ()

a. Fraud, bad faith, misrepresentation, or bribery, either in securing a license or in conducting business under a license. ()

b. Making a false statement as to a material matter in any license application. ()

c. Not performing their contract with the property owner. ()

d. Manipulating assets or accounts covering the subject matter of this rule, or by fraud or bad faith. ()

e. Not securing or maintaining workers' compensation insurance unless authorized to act as a self-insurer. ()

f. Knowingly contracting with an unregistered contractor for work or activity that requires an FPS Contractor's license. ()

g. The licensee has been convicted of a felony. ()

h. Violating any provision of this rule. ()

02. Length of Suspension. No license will be suspended for more than two (2) years. ()

03. Eligibility to Reapply After Revocation. A person whose license was revoked will not apply for a new license for two (2) years from the revocation date. ()

017. HEARINGS.

Whenever it is proposed to refuse to grant a license, revoke a license, or to refuse to renew a license, the State Fire Marshal will notify the applicant or licensee and provide them a hearing, if requested. ()

018. APPROVED EQUIPMENT AND MATERIALS.

No component or devices of an automatic fire sprinkler system may be sold, leased, or installed in Idaho unless

approved, labeled, or listed by Underwriters Laboratories, Inc., Underwriters Laboratories of Canada, Factory Mutual Laboratories, or other testing laboratories approved by the State Fire Marshal. ()

01. Sprinklers. Only new standard commercial or other listed sprinklers may be used when installing a sprinkler system. ()

02. Minimum Requirements. Automatic fire sprinkler systems in Idaho will meet the minimum NFPA standards. The local fire department or State Fire Marshall needs to approve partial installations intended to comply with life safety codes. ()

019. SERVICE EVIDENCE.

01. Submitting Plans. Where automatic fire sprinkler systems are installed, the installer completes the FPS Contractor's material and test certificates NFPA 13 1-10.1. All systems will be supervised by an FPS Contractor or a R.M.E., who will properly test and inspect them at prescribed intervals and have general charge of all alterations and additions to the systems under their supervision. ()

02. Conforming to Standards. A service tag conforming to the requirements of this chapter will be attached to all systems. ()

020. DESIGN REQUIREMENTS.

01. Submission of Plans. Detailed plans in accordance with applicable NFPA standards are submitted by a licensed contractor for approval to the local fire department and to the State Fire Marshal. ()

02. Conformance to Standards. The specifications will state that the installation will conform to the applicable standards listed in this rule and be approved by the local fire department and the State Fire Marshal. ()

03. Tests. The specifications need to include the specific tests needed to meet the standards for approval of the local fire department and the State Fire Marshal. ()

04. Scale. Plans need to be drawn to an indicated scale or be suitably dimensioned, and made so they can be easily reproduced. ()

05. Detail. Plans need to contain sufficient detail to evaluate the effectiveness of the system. ()

06. Prior Approval of Plans. Plans need to be submitted to the State Fire Marshal and the local fire department and approved, before work starts. Work may start before final plans are submitted based on conceptual drawings if approved by the local fire department and the State Fire Marshal. A plan's review fee of two dollars (\$2) per sprinkler head up to one thousand (1000) heads per fire protection sprinkler system (maximum two thousand dollars (\$2,000)) or one hundred dollars (\$100) per fire protection sprinkler system if less than fifty (50) sprinkler heads. The applicable fee needs to accompany the plans sent to the State Fire Marshal. Two (2) sprinkler heads on an arm-over will be considered as one (1) sprinkler head for fee purposes. ()

07. Corrected Plans. Where field conditions necessitate any substantial change from the approved plan, the corrected plan showing the system as installed needs to be submitted to the local fire department and the State Fire Marshal for approval. ()

08. Exemption. A City or County may request an exemption from the requirements of this Section that plans be submitted to the State Fire Marshal for review and approval. An exemption request will be made in writing signed by the Fire Chief, designated representative, or elected local official and set forth the reasons for the request. An exemption will not apply to plans or inspections relating to structures owned, leased or controlled by the state or a state agency. ()

021. SERVICE TAG.

01. Form. Automatic fire sprinkler service tags need to be in a form prescribed by the State Fire Marshal and a new tag installed each time work is performed on the system. ()

02. Control Valve Not Electrically Supervised. If the control valve is not electrically supervised, the service tag will serve as a seal for the valve. ()

03. Electrically Supervised Control Valve. If the control valve is electrically supervised, the service tag will be attached so the valve may be closed for testing of the supervision without removing the tag. ()

022. FITTERS.
All fitters may be licensed under this rule as follows: ()

01. Examination. Show proof by affidavit signed by a licensed FPS Contractor that he has worked as a fitter for at least one thousand (1,000) hours per year for three (3) consecutive years and then take and pass a written examination given by the State Fire Marshal, and pay the appropriate fee. ()

02. Fees. No examination will be taken or license issued pursuant to this rule until the appropriate fees, as listed above, are paid. Examination fees, when paid, are earned and are not subject to refund. The State Fire Marshal collects in advance fees as follows: ()

a. Examination Fee -- Twenty-five dollars (\$25). ()

b. Original License Fee -- Fifty dollars (\$50). ()

c. Annual License Renewal Fee -- Twenty-five dollars (\$25). ()

d. Duplicate License Fee -- Ten dollars (\$10). ()

03. Period of Time. No fitters license is valid for more than one (1) year and expires on the 31st of December of each year regardless of the month issued, at which point it may be renewed. ()

023. -- 999. (RESERVED)

PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

Department or Agency: Department of Insurance

Agency Contact: Weston Trexler

Phone: 208-334-4214

Date: June 30, 2022

IDAPA, Chapter and Title Number and Chapter Name:

18.08.02, Fire Protection Sprinkler Contractors

Fee Rule Status: Proposed

Rulemaking Docket Number: 18-0802-2201

STATEMENT OF ECONOMIC IMPACT:

The fees within this docket are unchanged from the previous year's fee rule, so no economic impact.