Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 226
"Liquified Petroleum Gas"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 101.1
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 10A, 17A, and 101

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 25, 2024 9 a.m.	Geode Conference Room 6200 Park Avenue Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

This proposed rulemaking repromulgates Chapter 226 and implements Iowa Code section 101.1 in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 101.1 provides that the director will promulgate reasonable rules for the safe transportation, storage, handling, and use of liquefied petroleum gases. Iowa Code section 101.2 requires the rules to be in substantial compliance with the standards of the National Fire Protection Association (NFPA) relating to liquefied petroleum gases. Iowa Code section 101.3 states that the rules governing liquefied petroleum gas shall be formulated and promulgated separately from those covering combustible and flammable liquids and liquefied natural gases. Iowa Code section 10A.511 grants to the director of the Department the duty to enforce all laws, rules and regulations concerning the storage, transportation, handling, and use of liquid petroleum gas.

This rulemaking implements the aforementioned Iowa Code sections by adopting the provisions of the NFPA 54-ANSI Z223.1 and 58, 2024 edition with amendments.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

The costs of the proposed rulemaking will be borne by members of the industry by complying with the requirements in this rulemaking. A free version is available through NFPA.org to the public. Members of the industry may incur costs related to civil penalties, court costs related to code

violations, or costs for the retention of records as required by the code standard. As set forth above, Iowa Code section 101.2 requires that the rules be in substantial compliance with the standards of the NFPA.

- **Classes of persons that will benefit from the proposed rulemaking:**

The proposed rulemaking benefits persons involved in the industry and members of the public by ensuring the safe transportation, storage, handling, and use of liquefied petroleum gases. The rulemaking further benefits fire fighters and first responders who have to respond to any disasters resulting from accidents involving liquefied petroleum gases.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Since the proposed rulemaking requires that members of the industry adopt and implement appropriate operational policies, most of the costs are not directly incurred due to this rulemaking, but are necessary when engaging in safe transport, storage, handling or use of liquefied petroleum gases. Examples of changes in NFPA 58 include the addition of a chapter covering the installation of LP-Gas systems on food trucks and revisions to the installation of horizontal containers requirements. NFPA 58 adds requirements for purging of LP-Gas systems into and out of service so facilities have proper procedures and plans in place when engaged in purging. These costs are difficult to quantify. Persons may incur costs related to civil penalties, court costs related to code violations, or costs for the retention of records as required by the code standard.

These costs are primarily incurred due to the nature of operations governed by this rulemaking and the statutory requirement that the rules be in substantial compliance with the standards of the NFPA.

- **Qualitative description of impact:**

Implementing the requirements of Iowa Code chapter 101 ensures the safety for persons intending to transport, store, handle, or use liquefied petroleum gases, as well as the general public. A number of other states have adopted a version of the NFPA, including Nebraska, Minnesota, Illinois, Missouri and Wisconsin. The broad implementation of the NFPA amongst states ensures consistency and safe practices regarding the transport, storage, handling and use of liquefied petroleum gases.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Costs to the Department include staff time needed to ensure compliance with the requirements of Iowa Code chapter 101 and these rules. The Department has 2.0 full-time equivalent (FTE) positions that, among other duties, are responsible for the inspection of aboveground storage tanks containing liquefied petroleum gas. These FTEs ensure compliance with NFPA 54 and 58 code standards.

- **Anticipated effect on state revenues:**

This rulemaking is not anticipated to have any effect on state revenues. There are no fees collected for the inspection of liquefied petroleum gas aboveground storage tanks. Implementation and enforcement costs borne by the Department and identified above are incurred due to the nature of the Department's statutorily prescribed duties pursuant to Iowa Code chapter 101 and are not affected by this rulemaking.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's statutory duties. This rulemaking does not add to the costs of the Department or public in excess of the Department's general functions. The costs to the industry are due to engaging in safe business practices as required by the rulemaking. The benefits include clear and consistent implementation of applicable Iowa Code sections through identified national safety standards.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly methods or less intrusive methods because the rules implement requirements found in Iowa Code chapter 101. A number of other states have adopted a version of the NFPA including Nebraska, Minnesota, Illinois, Missouri and Wisconsin. The broad implementation of the NFPA among states ensures consistency and safe practices regarding the transport, storage, handling and use of liquefied petroleum gases.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

See the response to Section 5 above.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

See the response to Section 5 above.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The rulemaking is meant to ensure public safety and the appropriate transportation, storage, handling, and use of liquefied petroleum gases. To exempt small businesses from adhering to this rulemaking would jeopardize any member of the public who sought services from that business. The risk to the public is greater than the potential harm or cost to the small business. Furthermore, if a small business identifies a component of the adopted standards that is overly burdensome and the goals of which could be achieved in a manner that would reduce the impact on the small business, it could utilize the Department's established waiver process.

Text of Proposed Rulemaking

ITEM 1. Rescind 661—Chapter 226 and adopt the following **new** chapter in lieu thereof:

CHAPTER 226
LIQUEFIED PETROLEUM GAS

661—226.1(101) General requirements. The provisions of the National Fire Protection Association, NFPA 54, ANSI Z223.1-2024 National Fuel Gas Code, 2024 edition, and NFPA 58, Liquefied Petroleum Gas Code, 2024 edition, published by the National Fire Protection Association and available at www.nfpa.org, and all references contained therein, are hereby adopted by reference as the general requirements for transportation, storage, handling, and use of liquefied petroleum gas, with the following amendments and interpretive guidelines:

1. Where a stationary installation utilizes a storage container of more than 2,000 gallons (7,750 L) of individual water capacity, or the aggregate water capacity of storage containers in a grouping is

more than 4,000 gallons (15,140 L) in water capacity, the installer shall submit plans for such installation to the department for review and approval. Installation shall not commence until written approval from the department has been received. Any local fire department where the tank(s) is located will be advised of each installation.

2. Underground gas piping that is outside a building shall not be in physical contact with any concrete.

3. Cylinders installed permanently on roofs of buildings are prohibited.

4. All training programs will be instructor-led by a competent trainer and will include a closed book test and a skills assessment.

5. Prior to acceptance and initial operation, all piping systems (including hose) shall be visually inspected and pressure-tested by the installer to determine that the materials, design, fabrication, and installation practices comply with the requirements of this chapter.

a. Pressure testing of piping systems is required as follows:

i. Piping systems with operating pressures greater than 20 psi will have a test pressure no less than 50 psi and shall not exceed 75 psi.

(1) The test medium used for pressure testing will be air, nitrogen, carbon dioxide, or an inert gas.

(2) Propane vapor may be used; propane liquid will not be used.

ii. Piping systems having operating pressures of 20 psi or less, and piping to which NFPA 54, National Fuel Gas Code, is applicable will be pressure tested in accordance with that code.

(1) The test medium used for pressure testing will be air, nitrogen, carbon dioxide, or an inert gas.

6. On or after January 1, 2012, the use of railroad tank cars in stationary service will be prohibited.

a. Existing installations with prior approval of the department (documented in writing) will be permitted to remain in service.

7. To the extent that NFPA standards are inconsistent with International Fire Code standards, the NFPA standards will rule.

This rule is intended to implement Iowa Code chapter 101.