

# HOUSE BILL 1434

R2, M3

6lr3227

---

By: **Delegates Lam, Barkley, and Turner**

Introduced and read first time: February 12, 2016

Assigned to: Environment and Transportation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Rail Safety Act of 2016**

3 FOR the purpose of increasing the fee imposed on certain barrels of petroleum transferred  
4 in the State; establishing the Rail Safety Fund as a special, nonlapsing fund;  
5 specifying the purpose of the Fund; requiring the Secretary of the Environment, in  
6 consultation with the Secretary of Transportation and the Secretary of Labor,  
7 Licensing, and Regulation, to administer the Fund; requiring the State Treasurer to  
8 hold the Fund and the Comptroller to account for the Fund; specifying the contents  
9 of the Fund; specifying the purpose for which the Fund may be used; providing for  
10 the investment of money in and expenditures from the Fund; requiring a railroad  
11 operator to develop and submit to the Department of the Environment a certain oil  
12 spill response plan; requiring the Department to review and approve an oil spill  
13 response plan; requiring a railroad operator to submit to the Department a certain  
14 certification; requiring the Department to review and approve the certification;  
15 prohibiting certain railroad operators from operating a railroad in the State;  
16 requiring the Department to adopt certain regulations; requiring a railroad operator  
17 to have a certain number of railroad engineers if the train is greater than  
18 a certain number of cars in length; defining certain terms; and generally relating to  
19 the Rail Safety Fund and railroads within the State.

20 BY repealing and reenacting, with amendments,  
21 Article – Environment  
22 Section 4–411(c)(1)  
23 Annotated Code of Maryland  
24 (2013 Replacement Volume and 2015 Supplement)

25 BY repealing and reenacting, without amendments,  
26 Article – State Finance and Procurement  
27 Section 6–226(a)(2)(i)  
28 Annotated Code of Maryland  
29 (2015 Replacement Volume)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
 2 Article – State Finance and Procurement  
 3 Section 6–226(a)(2)(ii)84. and 85.  
 4 Annotated Code of Maryland  
 5 (2015 Replacement Volume)

6 BY adding to  
 7 Article – State Finance and Procurement  
 8 Section 6–226(a)(2)(ii)86.  
 9 Annotated Code of Maryland  
 10 (2015 Replacement Volume)

11 BY adding to  
 12 Article – Transportation  
 13 Section 7–904 and 7–905  
 14 Annotated Code of Maryland  
 15 (2015 Replacement Volume and 2015 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 17 That the Laws of Maryland read as follows:

18 **Article – Environment**

19 4–411.

20 (c) (1) A license required under this section shall be secured from the  
 21 Department of the Environment subject to the terms and conditions set forth in this section.  
 22 The fee on any barrel shall be imposed only once, at the point of first transfer in the State.  
 23 The license fee shall be:

24 (i) Credited to the Maryland Oil Disaster Containment, Clean–Up  
 25 and Contingency Fund and based on:

26 1. Before July 1, 2017, a 7.75 cents per barrel fee for oil  
 27 transferred in the State; and

28 2. On or after July 1, 2017, a 5 cents per barrel fee for oil  
 29 transferred in the State; [and]

30 (ii) Until July 1, 2017, based on an additional 0.25 cent per barrel  
 31 fee for oil transferred in the State and credited to the Oil Contaminated Site Environmental  
 32 Cleanup Fund as described in Subtitle 7 of this title; **AND**

33 **(III) CREDITED TO THE RAIL SAFETY FUND ESTABLISHED**  
 34 **UNDER § 7–904 OF THE TRANSPORTATION ARTICLE AND BASED ON:**

1                   **1. BEFORE JULY 1, 2017, A 2 CENTS PER BARREL FEE**  
2 **FOR OIL TRANSFERRED IN THE STATE; AND**

3                   **2. ON OR AFTER JULY 1, 2017, A 5 CENTS PER BARREL**  
4 **FEE FOR OIL TRANSFERRED IN THE STATE.**

5                   **Article – State Finance and Procurement**

6 **6–226.**

7           (a) (2) (i) Notwithstanding any other provision of law, and unless  
8 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
9 terms of a gift or settlement agreement, net interest on all State money allocated by the  
10 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
11 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
12 Fund of the State.

13                   (ii) The provisions of subparagraph (i) of this paragraph do not apply  
14 to the following funds:

15                   84. the Economic Development Marketing Fund; [and]

16                   85. the Military Personnel and Veteran–Owned Small  
17 Business No–Interest Loan Fund; AND

18                   **86. THE RAIL SAFETY FUND.**

19                   **Article – Transportation**

20 **7–904.**

21           **(A) IN THIS SECTION, “FUND” MEANS THE RAIL SAFETY FUND.**

22           **(B) THERE IS A RAIL SAFETY FUND.**

23           **(C) THE PURPOSE OF THE FUND IS TO:**

24                   **(1) ADDRESS ENVIRONMENTAL AND SAFETY ISSUES RELATED TO**  
25 **RAILROADS; AND**

26                   **(2) SUPPLEMENT THE MARYLAND OIL DISASTER CONTAINMENT,**  
27 **CLEAN–UP AND CONTINGENCY FUND ESTABLISHED UNDER § 4–411 OF THE**  
28 **ENVIRONMENT ARTICLE.**

1           **(D) THE SECRETARY OF THE ENVIRONMENT, IN CONSULTATION WITH THE**  
2 **SECRETARY AND THE SECRETARY OF LABOR, LICENSING, AND REGULATION,**  
3 **SHALL ADMINISTER THE FUND.**

4           **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
5 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

6           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY**  
7 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

8           **(F) THE FUND CONSISTS OF:**

9           **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 4-411 OF THE**  
10 **ENVIRONMENT ARTICLE;**

11           **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

12           **(3) INTEREST EARNINGS OF THE FUND; AND**

13           **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
14 **THE BENEFIT OF THE FUND.**

15           **(G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO:**

16           **(1) THE DEPARTMENT OF THE ENVIRONMENT, THE OFFICE OF RISK**  
17 **MANAGEMENT AND SAFETY IN THE DEPARTMENT, AND STATE AND LOCAL FIRST**  
18 **RESPONDER AGENCIES TO IMPROVE PREPAREDNESS FOR AND RESPONSE EFFORTS**  
19 **TO RAIL ACCIDENTS;**

20           **(2) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION TO**  
21 **HIRE ADDITIONAL RAIL CAR INSPECTORS;**

22           **(3) THE DEPARTMENT TO ADMINISTER A PROGRAM TO IMPROVE**  
23 **SAFETY AND REDUCE ACCIDENTS AT RAIL CROSSINGS;**

24           **(4) THE DEPARTMENT OF THE ENVIRONMENT TO DEVELOP AN**  
25 **ADVANCED, REAL-TIME SYSTEM FOR WARNING STATE AND LOCAL ENTITIES OF**  
26 **TRAINS CARRYING HAZARDOUS MATERIALS; AND**

27           **(5) SUPPLEMENT THE MARYLAND OIL DISASTER CONTAINMENT,**  
28 **CLEAN-UP AND CONTINGENCY FUND ESTABLISHED UNDER § 4-411 OF THE**  
29 **ENVIRONMENT ARTICLE.**

1           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
2 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

3           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
4 **THE FUND.**

5           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
6 **WITH THE STATE BUDGET.**

7           **(J) THE ACCOUNTS AND TRANSACTIONS OF THE FUND SHALL BE SUBJECT**  
8 **TO AUDIT BY THE LEGISLATIVE AUDITOR AS PROVIDED IN § 2-1220 OF THE STATE**  
9 **GOVERNMENT ARTICLE.**

10           **(K) MONEY EXPENDED FROM THE FUND FOR THE PURPOSES SPECIFIED IN**  
11 **SUBSECTION (G) OF THIS SECTION IS SUPPLEMENTAL TO AND NOT INTENDED TO**  
12 **TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR**  
13 **THE PURPOSES SPECIFIED IN SUBSECTION (G) OF THIS SECTION.**

14 **7-905.**

15           **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
16 **INDICATED.**

17           **(2) “ENGINEER” MEANS THE DRIVER OF A RAILROAD ENGINE.**

18           **(3) “RAILROAD OPERATOR” MEANS THE ENTITY THAT OWNS OR**  
19 **OPERATES A RAILROAD IN THE STATE.**

20           **(B) (1) A RAILROAD OPERATOR SHALL DEVELOP AND SUBMIT TO THE**  
21 **DEPARTMENT OF THE ENVIRONMENT AN OIL SPILL RESPONSE PLAN.**

22           **(2) THE DEPARTMENT OF THE ENVIRONMENT SHALL REVIEW AND**  
23 **APPROVE THE OIL SPILL RESPONSE PLAN.**

24           **(3) A RAILROAD OPERATOR SHALL UPDATE THE OIL RESPONSE SPILL**  
25 **PLAN EVERY 2 YEARS.**

26           **(C) (1) EACH YEAR A RAILROAD OPERATOR SHALL SUBMIT TO THE**  
27 **DEPARTMENT OF THE ENVIRONMENT A CERTIFICATION OF FINANCIAL LIABILITY.**

28           **(2) THE DEPARTMENT OF THE ENVIRONMENT SHALL REVIEW AND**  
29 **APPROVE THE CERTIFICATION OF FINANCIAL LIABILITY.**

1                   **(3) THE CERTIFICATION OF FINANCIAL LIABILITY SHALL BE ON THE**  
2 **FORM AND CONTAIN THE INFORMATION THE DEPARTMENT OF THE ENVIRONMENT**  
3 **REQUIRES.**

4                   **(D) A RAILROAD OPERATOR THAT OPERATES A TRAIN THAT IS GREATER**  
5 **THAN 100 CARS IN LENGTH SHALL HAVE AT LEAST TWO ENGINEERS OPERATING THE**  
6 **TRAIN AT ALL TIMES.**

7                   **(E) A RAILROAD OPERATOR THAT DOES NOT COMPLY WITH THE**  
8 **REQUIREMENTS OF THIS SECTION MAY NOT OPERATE A RAILROAD IN THE STATE.**

9                   **(F) THE DEPARTMENT OF THE ENVIRONMENT SHALL ADOPT REGULATIONS**  
10 **TO CARRY OUT THIS SECTION.**

11                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2016.