
By: **Delegates Bohanan, Owings, O'Donnell, Wood, Mitchell, and Hutchins**
Introduced and read first time: March 1, 2001
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission - Hazardous Liquid Pipelines**

3 FOR the purpose of authorizing the Public Service Commission to act for the United
4 States Secretary of Transportation to implement certain federal laws relating to
5 hazardous liquid pipeline safety for intrastate transportation of hazardous
6 liquids by pipeline to the extent authorized by the United States Secretary of
7 Transportation; requiring the Commission to make certain reports to the United
8 States Secretary of Transportation and take certain actions in certain
9 circumstances; establishing certain powers for the Commission necessary to
10 implement a certain regulatory program for the intrastate transportation of
11 hazardous liquids by pipeline; authorizing the imposition of a certain inspection
12 fee for certain pipelines; authorizing the Commission to impose a certain civil
13 penalty on persons who violate this Act; defining certain terms; and generally
14 relating to the authority of the Public Service Commission concerning certain
15 hazardous liquid pipelines.

16 BY repealing and reenacting, without amendments,
17 Article - Public Utility Companies
18 Section 11-101
19 Annotated Code of Maryland
20 (1998 Volume and 2000 Supplement)

21 BY adding to
22 Article - Public Utility Companies
23 The new subtitle designation "Subtitle 1. Liquefied Gas Facilities" and Section
24 11-201 through 11-206, inclusive, to be under the new subtitle "Subtitle 2.
25 Hazardous Liquid Pipelines" and the amended title "Title 11. Liquefied
26 Gas Facilities and Hazardous Pipelines"
27 Annotated Code of Maryland
28 (1998 Volume and 2000 Supplement)

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

1 **Article - Public Utility Companies**

2 Title 11. Liquefied Gas Facilities AND HAZARDOUS LIQUID PIPELINES.

3 **SUBTITLE 1. LIQUEFIED GAS FACILITIES.**

4 11-101.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) "Liquefied natural gas" means natural gas cooled to form a liquid at
7 approximately atmospheric pressure.8 (3) "Liquefied natural gas facility" means any facility used to produce,
9 store, or regasify liquefied natural gas.10 (b) The Commission shall adopt regulations to ensure to the greatest extent
11 practicable the operational safety of liquefied natural gas facilities.12 (c) (1) The Commission shall inspect periodically each liquefied natural gas
13 facility to ensure compliance with the regulations adopted under subsection (b) of this
14 section.15 (2) Inspections shall be conducted at intervals the Commission
16 determines necessary.17 (d) The Commission may enforce these regulations by any method provided in
18 § 2-117(a) or (b), § 13-201, or § 13-205 of this article.19 (e) The Commission may enter into agreements with federal units as
20 necessary to carry out this section.21 (f) This section does not expand the definition of "public service company" in
22 § 1-101 of this article.23 (g) A person who violates a regulation that the Commission adopts under this
24 section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding
25 \$10,000 for each day the violation continues, and imprisonment not exceeding 1 year.26 **SUBTITLE 2. HAZARDOUS LIQUID PIPELINES.**

27 11-201.

28 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
29 INDICATED.30 (B) "INTERSTATE PIPELINE" MEANS A PIPELINE, OR PART OF A PIPELINE,
31 REGULATED UNDER 49 U.S.C. CHAPTER 601 THAT IS USED IN THE TRANSPORTATION
32 OF HAZARDOUS LIQUIDS OR CARBON DIOXIDE IN INTERSTATE OR FOREIGN
33 COMMERCE.

1 (C) "INTRASTATE PIPELINE" MEANS A PIPELINE, OR PART OF A PIPELINE,
2 REGULATED UNDER 49 U.S.C. CHAPTER 601 THAT IS NOT AN INTERSTATE PIPELINE.

3 (D) (1) "HAZARDOUS LIQUID" MEANS ANY:

4 (I) PETROLEUM OR PETROLEUM PRODUCT;

5 (II) ANHYDROUS AMMONIA;

6 (III) CARBON DIOXIDE; AND

7 (IV) ANY SUBSTANCE OR MATERIAL THAT:

8 1. IS IN A LIQUID STATE WHEN TRANSPORTED BY A
9 PIPELINE FACILITY; AND

10 2. MAY POSE AN UNREASONABLE RISK TO LIFE OR
11 PROPERTY WHEN TRANSPORTED BY A PIPELINE FACILITY, AS DETERMINED BY THE
12 UNITED STATES SECRETARY OF TRANSPORTATION.

13 (2) "HAZARDOUS LIQUID" DOES NOT INCLUDE LIQUEFIED NATURAL
14 GAS.

15 (E) "PIPELINE FACILITY" MEANS NEW AND EXISTING PIPE, RIGHTS-OF-WAY,
16 AND ANY EQUIPMENT, FACILITY, OR BUILDING USED IN THE TRANSPORTATION OF
17 HAZARDOUS LIQUIDS OR CARBON DIOXIDE.

18 (F) "PIPELINE OPERATOR" MEANS A PERSON WHO OWNS OR OPERATES A
19 PIPELINE FACILITY.

20 11-202.

21 (A) THE COMMISSION MAY ACT FOR THE UNITED STATES SECRETARY OF
22 TRANSPORTATION TO IMPLEMENT 49 U.S.C. CHAPTER 601 WITH RESPECT TO
23 INTRASTATE PIPELINES LOCATED WITHIN THE STATE TO THE EXTENT AUTHORIZED
24 BY CERTIFICATION OR AGREEMENT WITH THE UNITED STATES SECRETARY OF
25 TRANSPORTATION UNDER 49 U.S.C. CHAPTER 601.

26 (B) THE COMMISSION SHALL:

27 (1) MAKE PERIODIC CERTIFICATIONS AND REPORTS TO THE FEDERAL
28 DEPARTMENT OF TRANSPORTATION AS MAY BE REQUIRED UNDER 49 U.S.C. CHAPTER
29 601; AND

30 (2) TAKE ANY OTHER ACTIONS NECESSARY TO CARRY OUT ITS
31 RESPONSIBILITIES UNDER A CERTIFICATION OR AGREEMENT WITH THE UNITED
32 STATES SECRETARY OF TRANSPORTATION UNDER THIS SUBTITLE.

33 (C) THE AUTHORITY OF THE COMMISSION EXTENDS ONLY TO PIPELINE
34 SAFETY AND ENFORCEMENT AND DOES NOT EXTEND TO HAZARDOUS LIQUID SPILL
35 CLEANUP AND REMEDIATION.

1 11-203.

2 (A) (1) THE COMMISSION MAY ADOPT REGULATIONS THAT ESTABLISH
3 SAFETY STANDARDS AND PRACTICES APPLICABLE TO THE DESIGN, CONSTRUCTION,
4 OPERATION, AND MAINTENANCE OF INTRASTATE PIPELINE FACILITIES.

5 (2) FOR ANY INTRASTATE PIPELINE REGULATORY PROGRAM THAT THE
6 COMMISSION ESTABLISHES UNDER THIS SUBTITLE, THE COMMISSION SHALL ADOPT
7 AS MINIMUM STANDARDS THE FEDERAL SAFETY STANDARDS IN TITLE 49, C.F.R.
8 PARTS 195 AND 199, AS PERIODICALLY AMENDED.

9 (B) (1) THE COMMISSION MAY ENTER, INSPECT, AND EXAMINE, AT
10 REASONABLE TIMES AND IN A REASONABLE MANNER, THE RECORDS AND PROPERTY
11 OF AN INTRASTATE PIPELINE OPERATOR TO DETERMINE WHETHER THE PIPELINE
12 OPERATOR IS ACTING IN COMPLIANCE WITH THIS SUBTITLE AND REGULATIONS
13 ADOPTED BY THE COMMISSION UNDER THIS SUBTITLE.

14 (2) THE COMMISSION SHALL INSPECT EACH INTRASTATE PIPELINE AT
15 LEAST ONCE EACH YEAR.

16 (C) THE COMMISSION SHALL REQUIRE A PERSON WHO ENGAGES IN
17 INTRASTATE TRANSPORTATION OF A HAZARDOUS LIQUID BY PIPELINE AND AN
18 INTRASTATE PIPELINE OPERATOR TO PREPARE, MAINTAIN, AND CARRY OUT A
19 WRITTEN PLAN FOR THE OPERATION AND MAINTENANCE OF EACH PIPELINE
20 FACILITY.

21 11-204.

22 (A) THE COMMISSION MAY ASSESS AND COLLECT FROM AN INTRASTATE
23 HAZARDOUS LIQUID PIPELINE OPERATOR AN INSPECTION FEE THAT MAY BE USED
24 BY THE COMMISSION FOR ADMINISTERING THE REGULATORY PROGRAM
25 ESTABLISHED BY THE COMMISSION UNDER THIS SUBTITLE.

26 (B) THE FEE MAY NOT:

27 (1) EXCEED THE EXPENSES ATTRIBUTABLE TO THE INSPECTION AND
28 EXAMINATION OF THE FACILITY; AND

29 (2) INCLUDE EXPENSES THAT WILL BE REIMBURSED BY THE FEDERAL
30 GOVERNMENT.

31 11-205.

32 THE COMMISSION MAY BRING AN ACTION FOR INJUNCTIVE RELIEF IN A
33 CIRCUIT COURT TO:

34 (1) ENJOIN A VIOLATION OF THIS SUBTITLE;

35 (2) ENJOIN THE TRANSPORTATION OF A HAZARDOUS LIQUID BY
36 PIPELINE OR THE OPERATION OF A PIPELINE FACILITY; AND

1 (3) ENFORCE A STANDARD ESTABLISHED BY THE COMMISSION UNDER
2 THIS SUBTITLE.

3 11-206.

4 (A) THE COMMISSION MAY IMPOSE ON A PERSON WHO VIOLATES THIS
5 SUBTITLE OR A REGULATION ADOPTED IN ACCORDANCE WITH THIS SUBTITLE A
6 CIVIL PENALTY THAT DOES NOT EXCEED THE MAXIMUM PENALTIES PROVIDED IN
7 TITLE 49 V.S.C. CHAPTER 601 (HAZARDOUS LIQUID PIPELINE SAFETY ACT).

8 (B) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION UNDER
9 THIS SECTION.

10 (C) TO DETERMINE THE AMOUNT OF A PENALTY IMPOSED UNDER THIS
11 SECTION, THE COMMISSION SHALL CONSIDER:

12 (1) THE NATURE, CIRCUMSTANCES, AND GRAVITY OF THE VIOLATION;

13 (2) WITH RESPECT TO THE VIOLATOR:

14 (I) THE DEGREE OF CULPABILITY;

15 (II) ANY HISTORY OF PRIOR VIOLATIONS;

16 (III) THE ABILITY TO PAY;

17 (IV) ANY EFFECT ON THE ABILITY TO CONTINUE DOING BUSINESS;

18 AND

19 (V) GOOD FAITH IN ATTEMPTING TO COMPLY; AND

20 (3) OTHER MATTERS THAT JUSTICE REQUIRES.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2001.