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By: **Delegates Bohanan, Owings, O'Donnell, Wood, Mitchell, and Hutchins**

Introduced and read first time: March 1, 2001

Assigned to: Rules and Executive Nominations

Re-referred to: Environmental Matters, March 5, 2001

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2001

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CHAPTER \_\_\_\_\_

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 seek certain injunctive  
13 relief under certain circumstances; authorizing the Commission to impose a  
14 certain civil penalty on persons who violate this Act; defining certain terms; and  
15 generally relating to the authority of the Public Service Commission concerning  
16 certain hazardous liquid pipelines.

17 BY repealing and reenacting, without amendments,  
18 Article - Public Utility Companies  
19 Section 11-101  
20 Annotated Code of Maryland  
21 (1998 Volume and 2000 Supplement)

22 BY adding to  
23 Article - Public Utility Companies  
24 The new subtitle designation "Subtitle 1. Liquefied Gas Facilities" and Section

1 11-201 through 11-206, inclusive, to be under the new subtitle "Subtitle 2.  
2 Hazardous Liquid Pipelines" and the amended title "Title 11. Liquefied  
3 Gas Facilities and Hazardous Pipelines"  
4 Annotated Code of Maryland  
5 (1998 Volume and 2000 Supplement)

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

8 **Article - Public Utility Companies**

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

10 SUBTITLE 1. LIQUEFIED GAS FACILITIES.

11 11-101.

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

13 (2) "Liquefied natural gas" means natural gas cooled to form a liquid at  
14 approximately atmospheric pressure.

15 (3) "Liquefied natural gas facility" means any facility used to produce,  
16 store, or regasify liquefied natural gas.

17 (b) The Commission shall adopt regulations to ensure to the greatest extent  
18 practicable the operational safety of liquefied natural gas facilities.

19 (c) (1) The Commission shall inspect periodically each liquefied natural gas  
20 facility to ensure compliance with the regulations adopted under subsection (b) of this  
21 section.

22 (2) Inspections shall be conducted at intervals the Commission  
23 determines necessary.

24 (d) The Commission may enforce these regulations by any method provided in  
25 § 2-117(a) or (b), § 13-201, or § 13-205 of this article.

26 (e) The Commission may enter into agreements with federal units as  
27 necessary to carry out this section.

28 (f) This section does not expand the definition of "public service company" in  
29 § 1-101 of this article.

30 (g) A person who violates a regulation that the Commission adopts under this  
31 section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding  
32 \$10,000 for each day the violation continues, and imprisonment not exceeding 1 year.

## SUBTITLE 2. HAZARDOUS LIQUID PIPELINES.

2 11-201.

3 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
4 INDICATED.

5 (B) "INTERSTATE PIPELINE" MEANS A PIPELINE, OR PART OF A PIPELINE,  
6 REGULATED UNDER 49 U.S.C. CHAPTER 601 THAT IS USED IN THE TRANSPORTATION  
7 OF HAZARDOUS LIQUIDS OR CARBON DIOXIDE IN INTERSTATE OR FOREIGN  
8 COMMERCE.

9 (C) "INTRASTATE PIPELINE" MEANS A PIPELINE, OR PART OF A PIPELINE,  
10 REGULATED UNDER 49 U.S.C. CHAPTER 601 THAT:

11 (1) IS USED IN THE TRANSPORTATION OF HAZARDOUS LIQUIDS OR  
12 CARBON DIOXIDE; AND

13 (2) IS NOT AN INTERSTATE PIPELINE.

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

15 (I) PETROLEUM OR PETROLEUM PRODUCT;

16 (II) ANHYDROUS AMMONIA;

17 (III) CARBON DIOXIDE; AND

18 (IV) ANY SUBSTANCE OR MATERIAL THAT:

19 1. IS IN A LIQUID STATE WHEN TRANSPORTED BY A  
20 PIPELINE FACILITY; AND

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

24 (2) "HAZARDOUS LIQUID" DOES NOT INCLUDE LIQUEFIED NATURAL  
25 GAS.

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

29 (F) "PIPELINE OPERATOR" MEANS A PERSON WHO OWNS OR OPERATES A  
30 PIPELINE FACILITY.

31 11-202.

32 (A) THE COMMISSION MAY ACT FOR THE UNITED STATES SECRETARY OF  
33 TRANSPORTATION TO IMPLEMENT 49 U.S.C. CHAPTER 601 WITH RESPECT TO

1 INTRASTATE PIPELINES LOCATED WITHIN THE STATE TO THE EXTENT AUTHORIZED  
2 BY CERTIFICATION OR AGREEMENT WITH THE UNITED STATES SECRETARY OF  
3 TRANSPORTATION UNDER 49 U.S.C. CHAPTER 601.

4 (B) THE COMMISSION SHALL:

5 (1) MAKE PERIODIC CERTIFICATIONS AND REPORTS TO THE FEDERAL  
6 DEPARTMENT OF TRANSPORTATION AS MAY BE REQUIRED UNDER 49 U.S.C. CHAPTER  
7 601; AND

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

11 (C) THE AUTHORITY OF THE COMMISSION EXTENDS ONLY TO PIPELINE  
12 SAFETY AND ENFORCEMENT AND DOES NOT EXTEND TO HAZARDOUS LIQUID SPILL  
13 CLEANUP AND REMEDIATION.

14 11-203.

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

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

22 (B) (1) THE COMMISSION MAY ENTER, INSPECT, AND EXAMINE, AT  
23 REASONABLE TIMES AND IN A REASONABLE MANNER, THE RECORDS AND PROPERTY  
24 OF AN INTRASTATE PIPELINE OPERATOR TO DETERMINE WHETHER THE PIPELINE  
25 OPERATOR IS ACTING IN COMPLIANCE WITH THIS SUBTITLE AND REGULATIONS  
26 ADOPTED BY THE COMMISSION UNDER THIS SUBTITLE.

27 (2) THE COMMISSION SHALL INSPECT EACH INTRASTATE PIPELINE AT  
28 LEAST ONCE EACH YEAR.

29 (C) THE COMMISSION SHALL REQUIRE ~~A PERSON WHO ENGAGES IN~~  
30 ~~INTRASTATE TRANSPORTATION OF A HAZARDOUS LIQUID BY PIPELINE AND AN~~  
31 INTRASTATE PIPELINE OPERATOR TO PREPARE, MAINTAIN, AND CARRY OUT A  
32 WRITTEN PLAN FOR THE OPERATION AND MAINTENANCE OF EACH PIPELINE  
33 FACILITY OWNED OR OPERATED BY THE INTRASTATE PIPELINE OPERATOR.

34 11-204.

35 (A) THE COMMISSION MAY ASSESS AND COLLECT FROM AN INTRASTATE  
36 ~~HAZARDOUS LIQUID~~ PIPELINE OPERATOR AN INSPECTION FEE THAT MAY BE USED  
37 BY THE COMMISSION FOR ADMINISTERING THE REGULATORY PROGRAM  
38 ESTABLISHED BY THE COMMISSION UNDER THIS SUBTITLE.

1 (B) THE FEE MAY NOT:

2 (1) EXCEED THE EXPENSES ATTRIBUTABLE TO THE INSPECTION AND  
3 EXAMINATION OF THE FACILITY; AND

4 (2) INCLUDE EXPENSES THAT WILL BE REIMBURSED BY THE FEDERAL  
5 GOVERNMENT.

6 11-205.

7 THE COMMISSION MAY BRING AN ACTION FOR INJUNCTIVE RELIEF IN A  
8 CIRCUIT COURT TO:

9 (1) ENJOIN A VIOLATION OF THIS SUBTITLE;

10 (2) ENJOIN THE TRANSPORTATION OF A HAZARDOUS LIQUID BY  
11 PIPELINE OR THE OPERATION OF A PIPELINE FACILITY; ~~AND~~ OR

12 (3) ENFORCE A STANDARD ESTABLISHED BY THE COMMISSION UNDER  
13 THIS SUBTITLE.

14 11-206.

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

19 (B) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION UNDER  
20 THIS SECTION.

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

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

24 (2) WITH RESPECT TO THE VIOLATOR:

25 (I) THE DEGREE OF CULPABILITY;

26 (II) ANY HISTORY OF PRIOR VIOLATIONS;

27 (III) THE ABILITY TO PAY;

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

29 AND

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

31 (3) OTHER MATTERS THAT JUSTICE REQUIRES.

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