

SENATE BILL 117

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2001 Regular Session
(11r0983)

ENROLLED BILL

-- *Economic and Environmental Affairs/Environmental Matters* --

Introduced by **Senators Dyson, Blount, Collins, Frosh, Hollinger, Pinsky,
Sfikas, and Miller**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

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 Commission to seek certain injunctive
12 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.

1 BY repealing and reenacting, without amendments,
2 Article - Public Utility Companies
3 Section 11-101
4 Annotated Code of Maryland
5 (1998 Volume and 2000 Supplement)

6 BY adding to
7 Article - Public Utility Companies
8 The new subtitle designation "Subtitle 1. Liquefied Gas Facilities" and Section
9 11-201 through 11-206, inclusive, to be under the new subtitle "Subtitle 2.
10 Hazardous Liquid Pipelines" and the amended title "Title 11. Liquefied
11 Gas Facilities and Hazardous Pipelines."
12 Annotated Code of Maryland
13 (1998 Volume and 2000 Supplement)

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

16 **Article - Public Utility Companies**

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

18 SUBTITLE 1. LIQUEFIED GAS FACILITIES.

19 11-101.

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

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

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

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

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

30 (2) Inspections shall be conducted at intervals the Commission
31 determines necessary.

32 (d) The Commission may enforce these regulations by any method provided in
33 § 2-117(a) or (b), § 13-201, or § 13-205 of this article.

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

3 (f) This section does not expand the definition of "public service company" in
4 § 1-101 of this article.

5 (g) A person who violates a regulation that the Commission adopts under this
6 section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding
7 \$10,000 for each day the violation continues, and imprisonment not exceeding 1 year.

8 SUBTITLE 2. HAZARDOUS LIQUID PIPELINES.

9 11-201.

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

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

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

18 (1) IS USED IN *THE* TRANSPORTATION OF HAZARDOUS LIQUIDS OR
19 CARBON DIOXIDE; AND

20 (2) IS NOT AN INTERSTATE PIPELINE.

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

22 (I) PETROLEUM OR PETROLEUM PRODUCT;

23 (II) ANHYDROUS AMMONIA;

24 (III) CARBON DIOXIDE; AND

25 (IV) ANY SUBSTANCE OR MATERIAL THAT:

26 1. IS IN A LIQUID STATE WHEN TRANSPORTED BY A
27 PIPELINE FACILITY; AND

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

31 (2) "HAZARDOUS LIQUID" DOES NOT INCLUDE LIQUEFIED NATURAL
32 GAS.

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

4 (F) "PIPELINE OPERATOR" MEANS A PERSON WHO OWNS OR OPERATES A
5 PIPELINE FACILITY.

6 11-202.

7 (A) THE COMMISSION MAY ACT FOR THE UNITED STATES SECRETARY OF
8 TRANSPORTATION TO IMPLEMENT 49 U.S.C. CHAPTER 601 WITH RESPECT TO
9 INTRASTATE PIPELINES LOCATED WITHIN THE STATE TO THE EXTENT AUTHORIZED
10 BY CERTIFICATION OR AGREEMENT WITH THE UNITED STATES SECRETARY OF
11 TRANSPORTATION UNDER 49 U.S.C. CHAPTER 601.

12 (B) THE COMMISSION SHALL:

13 (1) MAKE PERIODIC CERTIFICATIONS AND REPORTS TO THE FEDERAL
14 DEPARTMENT OF TRANSPORTATION AS MAY BE REQUIRED UNDER 49 U.S.C. CHAPTER
15 601; AND

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

19 (C) THE AUTHORITY OF THE COMMISSION EXTENDS ONLY TO PIPELINE
20 SAFETY AND ENFORCEMENT AND DOES NOT EXTEND TO HAZARDOUS LIQUID SPILL
21 CLEANUP AND REMEDIATION.

22 11-203.

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

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

30 (B) (1) THE COMMISSION MAY ENTER, INSPECT, AND EXAMINE, AT
31 REASONABLE TIMES AND IN A REASONABLE MANNER, THE RECORDS AND PROPERTY
32 OF AN INTRASTATE PIPELINE OPERATOR TO DETERMINE WHETHER THE PIPELINE
33 OPERATOR IS ACTING IN COMPLIANCE WITH THIS SUBTITLE AND REGULATIONS
34 ADOPTED BY THE COMMISSION UNDER THIS SUBTITLE.

35 (2) THE COMMISSION SHALL INSPECT EACH INTRASTATE PIPELINE AT
36 LEAST ONCE EACH YEAR.

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

6 11-204.

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

11 (B) THE FEE MAY NOT:

12 (1) EXCEED THE EXPENSES ATTRIBUTABLE TO THE INSPECTION AND
13 EXAMINATION OF THE FACILITY; AND

14 (2) INCLUDE EXPENSES THAT WILL BE REIMBURSED BY THE FEDERAL
15 GOVERNMENT.

16 11-205.

17 THE COMMISSION MAY BRING AN ACTION FOR INJUNCTIVE RELIEF IN A
18 CIRCUIT COURT TO:

19 (1) ENJOIN A VIOLATION OF THIS SUBTITLE;

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

22 (3) ENFORCE A STANDARD ESTABLISHED BY THE COMMISSION UNDER
23 THIS SUBTITLE.

24 11-206.

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

29 (B) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION UNDER
30 THIS SECTION.

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

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

34 (2) WITH RESPECT TO THE VIOLATOR:

- 1 (I) THE DEGREE OF CULPABILITY;
- 2 (II) ANY HISTORY OF PRIOR VIOLATIONS;
- 3 (III) THE ABILITY TO PAY;
- 4 (IV) ANY EFFECT ON THE ABILITY TO CONTINUE DOING BUSINESS;
- 5 AND
- 6 (V) GOOD FAITH IN ATTEMPTING TO COMPLY; AND
- 7 (3) OTHER MATTERS THAT JUSTICE REQUIRES.

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