
By: **Senators Stone, Brochin, and Klausmeier**
 Introduced and read first time: February 28, 2006
 Assigned to: Rules
 Re-referred to: Finance, March 3, 2006

Committee Report: Favorable with amendments
 Senate action: Adopted with floor amendments
 Read second time: April 2, 2006

CHAPTER _____

1 AN ACT concerning

2 **Baltimore County Liquefied Natural Gas Facilities—Approval for**
 3 **Construction or Operation—Baltimore County Task Force**

4 FOR the purpose of ~~prohibiting the construction or operation of a liquefied natural~~
 5 ~~gas facility without the approval of the Public Service Commission; prohibiting~~
 6 ~~the Commission from granting regulatory approval for the construction or~~
 7 ~~operation of a liquefied natural gas facility in Baltimore County that is located~~
 8 ~~within a certain distance of a residence; and generally relating to liquefied~~
 9 ~~natural gas facilities~~ establishing a Baltimore County Liquefied Natural Gas
 10 Task Force; providing for the composition and duties of the Task Force;
 11 requiring the Department of the Environment to provide staffing for the Task
 12 Force; prohibiting members of the Task Force from receiving compensation, but
 13 authorizing certain reimbursement for certain expenses; requiring the Task
 14 Force to report certain findings and recommendations to the Governor and the
 15 General Assembly on or before a certain date; providing for the termination of
 16 this Act; and generally relating to the Baltimore County Liquefied Natural Gas
 17 Task Force.

18 ~~BY repealing and reenacting, with amendments,~~
 19 ~~Article—Public Utility Companies~~
 20 ~~Section 11-101~~
 21 ~~Annotated Code of Maryland~~
 22 ~~(1998 Volume and 2005 Supplement)~~

1 Preamble

2 WHEREAS, The demand in the United States for natural gas for residential and
3 industrial use and for power generation is increasing rapidly and the United States
4 now relies on natural gas for nearly one quarter of its energy use; and

5 WHEREAS, Projections indicate that consumption of natural gas in North
6 America will soon outpace production; and

7 WHEREAS, Technology has made the importation of natural gas in its liquefied
8 form feasible and cost effective, and imports of liquefied natural gas to the United
9 States are expected to sharply increase in the next decade; and

10 WHEREAS, An overwhelming majority of the residents of the area have voiced
11 their opposition to the proposed facility; and

12 WHEREAS, A liquefied natural gas facility has been proposed for the Sparrows
13 Point area in eastern Baltimore County; and

14 WHEREAS, The public has a compelling interest in obtaining complete
15 comprehensive, factual, and objective information regarding the siting and safety of
16 liquefied natural gas facilities; and

17 WHEREAS, Objective and accurate information about liquefied natural gas,
18 including, most importantly, the safety aspects surrounding siting decisions should be
19 readily available to communities near a proposed liquefied natural gas import
20 terminal facility; and

21 WHEREAS, The public is entitled to know about other important aspects
22 relating to a liquefied natural gas facility in the Sparrows Point area, such as:

23 (1) the effect on recreational and commercial boating and fishing;

24 (2) the impacts on the environment, especially on water quality,
25 resulting from the dredging required to locate a liquefied natural gas facility in the
26 area, and the large amounts of contaminated dredged material that will result; and

27 (3) the impact on residential property owners in the vicinity of the
28 facility, particularly their ability to retain access to their properties via water; and

29 WHEREAS, Representatives of local communities that may be impacted by the
30 siting decisions involving liquefied natural gas facilities should participate in the
31 siting process; now, therefore,

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

~~Article—Public Utility Companies~~

1 ~~11-101.~~

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

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

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

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

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

12 (2) Inspections shall be conducted at intervals the Commission
13 determines necessary.

14 (d) The Commission may enforce [these] THE regulations by any method
15 provided in § 2-117(a), § 13-201, or § 13-205 of this article.

16 (E) (1) A LIQUEFIED NATURAL GAS FACILITY MAY NOT BE CONSTRUCTED
17 OR OPERATED WITHOUT THE APPROVAL OF THE COMMISSION.

18 (2) THE COMMISSION MAY NOT GRANT ANY APPROVAL FOR THE
19 CONSTRUCTION OR OPERATION OF A LIQUEFIED NATURAL GAS FACILITY IF THE
20 FACILITY IS TO BE LOCATED:

21 (I) IN BALTIMORE COUNTY; AND

22 (II) WITHIN 2 MILES OF ANY RESIDENCE.

23 (F) The Commission may enter into agreements with federal units as
24 necessary to carry out this section.

25 (G) This section does not expand the definition of "public service
26 company" in § 1-101 of this article.

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

31 (a) There is a Baltimore County Liquefied Natural Gas Task Force.

32 (b) The Task Force consists of the following members:

1 (1) four members from the scientific, environmental, and energy
2 communities, jointly appointed by the President of the Senate and the Speaker of the
3 House of Delegates;

4 (2) the Chairman of the Public Service Commission, or the Chairman's
5 designee;

6 (3) the Secretary of the Environment, or the Secretary's designee;

7 (4) the Secretary of Natural Resources, or the Secretary's designee;

8 (5) the Director of the Maryland Energy Administration, or the
9 Director's designee;

10 (6) three members nominated by the Senator representing the Maryland
11 legislative district in which the proposed liquefied natural gas facility in eastern
12 Baltimore County is proposed to be sited, subject to approval of the President of the
13 Senate; and

14 (7) three members nominated by the Delegates representing the
15 Maryland legislative district in which the proposed liquefied natural gas facility in
16 eastern Baltimore County is proposed to be sited, subject to approval of the Speaker of
17 the House of Delegates.

18 (c) The Task Force shall elect the chair of the Task Force from among its
19 members.

20 (d) The Department of the Environment shall provide staff for the Task Force.

21 (e) A member of the Task Force:

22 (1) may not receive compensation; but

23 (2) is entitled to reimbursement for expenses under the Standard State
24 Travel Regulations, as provided in the State budget.

25 (f) The Task Force shall study:

26 (1) the risks and hazards of a liquefied natural gas production, storage,
27 or regasification facility;

28 (2) the kind and use of the proposed production, storage, or
29 regasification facility;

30 (3) the current and projected population and demographic
31 characteristics of the location of the proposed production, storage, or regasification
32 facility;

33 (4) the current and proposed land use near the location of the proposed
34 production, storage, or regasification facility;

- 1 (5) the natural and physical aspects of the proposed location;
- 2 (6) the emergency response capabilities near the proposed facility
3 location; and
- 4 (7) the need and appropriate distance for remote siting;
- 5 (8) the effect of the proposed facility location on recreational and
6 commercial boating and fishing and crabbing in the area;
- 7 (9) the impact on the environment, especially on water quality, due to
8 the quality of the dredged material from the large scale dredging that is intended to
9 be undertaken to accommodate the ships transporting the liquefied natural gas; and
- 10 (10) the impact on the ability of residential property owners near the
11 proposed facility to retain access to their properties by way of the waterway.
- 12 (g) The Task Force shall report its findings and recommendations to the
13 Governor and, in accordance with § 2-1246 of the State Government Article, the
14 General Assembly, on or before December 31, 2006.
- 15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2006. July 1, 2006. It shall remain effective for a period of 1 year and 1
17 month and, at the end of July 31, 2007, with no further action required by the General
18 Assembly, this Act shall be abrogated and of no further force and effect.