

SENATE BILL 196

C5, M3

71r1220

By: **Senators Stone, Brochin, DeGrange, Della, Gladden, Klausmeier, McFadden, and Simonaire**

Introduced and read first time: January 26, 2007

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore County – Liquefied Natural Gas Facilities – Dredging,**
3 **Construction, and Permitting**

4 FOR the purpose of altering the restrictions on dredging projects in the Baltimore
5 Harbor and waters of Baltimore County under certain circumstances;
6 prohibiting the Board of Public Works from approving certain licenses for
7 certain dredging projects in a certain area under certain circumstances;
8 requiring a certain person that proposes the construction of a liquefied natural
9 gas facility to post a surety bond for a certain amount; requiring the Governor to
10 designate the Public Service Commission as the agency to consult with the
11 Federal Energy Regulatory Commission under certain circumstances;
12 prohibiting the Public Service Commission from recommending regulatory
13 approval for the construction or operation of a liquefied natural gas facility in
14 Baltimore County that is located within a certain distance of a residence;
15 making the provisions of this Act severable; providing for the termination of
16 certain provisions of this Act; and generally relating to the dredging,
17 construction, and permitting for liquefied natural gas facilities.

18 BY adding to

19 Article – Environment

20 Section 16–202(f)

21 Annotated Code of Maryland

22 (1996 Replacement Volume and 2006 Supplement)

23 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Public Utility Companies
2 Section 11–101
3 Annotated Code of Maryland
4 (1998 Volume and 2006 Supplement)

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

7 **Article – Environment**

8 16–202.

9 **(F) (1) THIS SUBSECTION APPLIES ONLY TO DREDGING PROJECTS BY**
10 **A PRIVATE PERSON AND DOES NOT APPLY TO DREDGING PROJECTS INITIATED**
11 **BY THE STATE OR COUNTY.**

12 **(2) THE BOARD MAY NOT APPROVE A LICENSE TO DREDGE FOR A**
13 **PROJECT THAT IS WITHIN A ONE–HALF MILE RADIUS AROUND A POSITION**
14 **LOCATED AT LATITUDE 39 DEGREES, 13 MINUTES NORTH AND LONGITUDE 76**
15 **DEGREES, 30 MINUTES WEST.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
17 read as follows:

18 **Article – Public Utility Companies**

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
22 at 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) FOR A LIQUEFIED NATURAL GAS FACILITY CONSTRUCTED ON**
28 **OR AFTER JUNE 1, 2007, THE COMMISSION SHALL REQUIRE A PERSON THAT**

1 **CONSTRUCTS THE NEW FACILITY TO FILE A SURETY BOND OR OTHER SECURITY**
2 **WITH THE LOCAL GOVERNING BODY.**

3 **(2) A BOND FILED UNDER THIS SUBSECTION SHALL:**

4 **(I) BE ISSUED BY A SURETY COMPANY AUTHORIZED TO DO**
5 **BUSINESS IN THE STATE;**

6 **(II) BE IN THE AMOUNT OF NOT LESS THAN \$10,000,000 AND**
7 **NOT MORE THAN \$100,000,000, AS DETERMINED BY THE COMMISSION;**

8 **(III) REMAIN IN EFFECT FOR AT LEAST 50 YEARS; AND**

9 **(IV) CONTAIN A PROVISION THAT THE BOND CANNOT BE**
10 **CANCELED BY THE SURETY, BANK, OR OTHER ISSUING ENTITY AT ANY TIME FOR**
11 **ANY REASON, INCLUDING NONPAYMENT OF THE PREMIUM OR BANKRUPTCY OF**
12 **THE PERSON THAT CONSTRUCTS THE FACILITY.**

13 **[(c)] (D) (1) The Commission shall inspect periodically each liquefied**
14 **natural gas facility to ensure compliance with the regulations adopted under**
15 **subsection (b) of this section.**

16 **(2) Inspections shall be conducted at intervals the Commission**
17 **determines necessary.**

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

20 **(F) (1) FOR A PROPOSED LIQUEFIED NATURAL GAS FACILITY, THE**
21 **GOVERNOR SHALL DESIGNATE THE COMMISSION AS THE AGENCY THAT SHALL**
22 **CONSULT WITH THE FEDERAL ENERGY REGULATORY COMMISSION IN**
23 **ACCORDANCE WITH § 3A OF THE FEDERAL NATURAL GAS ACT.**

24 **(2) THE COMMISSION MAY NOT RECOMMEND ANY APPROVAL FOR**
25 **THE CONSTRUCTION OR OPERATION OF A LIQUEFIED NATURAL GAS FACILITY IF**
26 **THE FACILITY IS TO BE LOCATED:**

27 **(I) IN BALTIMORE COUNTY; AND**

28 **(II) WITHIN 2 MILES OF ANY RESIDENCE.**

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

3 [(f)] (H) This section does not expand the definition of “public service
4 company” in § 1–101 of this article.

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

9 SECTION 3. AND BE IT FURTHER ENACTED, That if any provision of this
10 Act or the application thereof to any person or circumstance is held invalid for any
11 reason in a court of competent jurisdiction, the invalidity does not affect other
12 provisions or any other application of this Act which can be given effect without the
13 invalid provision or application, and for this purpose the provisions of this Act are
14 declared severable.

15 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 June 1, 2007. Section 1 of this Act shall remain effective through December 31, 2011,
17 and at the end of December 31, 2011, with no further action required by the General
18 Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.