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SENATE BILL NO. 345

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Corporations, Insurance and Banking
on March 1, 1994)

(Patron Prior to Substitute—Senator Houck)

A BILL to amend the Code of Virginia by adding in Title 56 a chapter numbered 21 consisting of sections numbered 56-553 through 56-555, relating to the State Corporation Commission; implementing the federal Hazardous Liquid Pipeline Safety Act.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 56 a chapter numbered 21 consisting of sections numbered 56-553 through 56-555 as follows:

Chapter 21.

Hazardous Liquid Pipeline Safety Act.

§ 56-553. Title.

This chapter may be cited as the "Hazardous Liquid Pipeline Safety Act of 1994."

§ 56-554. Definitions.

For the purposes of this chapter:

"Hazardous Liquid" means "hazardous liquid" and "highly volatile liquid" as defined in 49 C.F.R. § 195.2.

"Person" means an individual, corporation, partnership, association or other business entity or a trustee, receiver, assignee, or personal representative of any of these.

"Pipeline Operator" means a person who owns and operates pipeline facilities as defined in 49 C.F.R. § 195.2.

"Interstate pipeline" and "intrastate pipeline" shall have the same meanings as defined in 49 C.F.R. § 195.2

§ 56-555. Commission to implement the Federal Hazardous Liquid Pipeline Safety Act.

A. The Commission is authorized to act for the United States Secretary of Transportation to implement the Federal Hazardous Liquid Pipeline Safety Act, 49 U.S.C. App. §§ 2001 to 2014, with respect to intrastate and interstate pipelines located within the Commonwealth to the extent authorized by certification or agreement with the Secretary under Section 205 of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. § 2004). To carry out its responsibilities under this section, the Commission shall have the same powers as given the Secretary in Sections 210 and 211 of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. §§ 2009 and 2010).

B. For the purposes of intrastate pipelines, any person failing or refusing to obey Commission Orders relating to the adoption or enforcement of regulations for the design, construction, operation and maintenance of pipeline facilities and temporary or permanent injunctions issued by the Commission shall be fined such sums not exceeding the fines and penalties specified by § 208 (a) (1) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. § 2007 et seq), as amended.

C. The Commission shall assess and collect from every hazardous liquid pipeline operator an inspection fee to be used by the Commission for administering the regulatory program authorized by this section. For purposes of interstate pipelines, such fees shall be computed based on the number of inspection man-days devoted to each pipeline operator to determine the operator's compliance with any provision of, or order or agreement issued under, the Hazardous Liquid Pipeline Safety Act, and shall not exceed the costs of inspection and investigation under this section. The costs shall not include expenses reimbursed by the federal government. The number of planned inspections conducted on each interstate pipeline operator shall be reasonable under the circumstances and prioritized by risk to the public or to the environment.

D. The authority granted to the Commission under this section to conduct inspections of interstate pipeline operators and facilities in the Commonwealth shall not extend to any official, employee, or agent of any political subdivision in the Commonwealth. No political subdivision shall have the authority to seek reimbursement for the cost of monitoring the inspections conducted by the Commission under this section. Nothing in this subsection, however, shall be deemed to impair or limit the police powers of such political subdivisions otherwise provided by law.

E. The provisions of this chapter shall become effective when the Commission receives a formal delegation of authority to act as an agent of the United States Secretary of Transportation with respect to interstate hazardous liquid pipeline facilities.