

1 SB341  
2 156585-1  
3 By Senator Reed  
4 RFD: Commerce, Transportation, and Utilities  
5 First Read: 11-FEB-14

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8 SYNOPSIS: Under existing law, the Public Service  
9 Commission may inspect gas pipeline systems and  
10 hazardous liquid pipeline facilities in the state  
11 and assess penalties for violations of safety  
12 standards.

13 Under existing law, federal regulations also  
14 provide safety standards for such systems and for  
15 penalties for violations of safety standards.

16 This bill would increase the state penalties  
17 for violations of the gas pipeline safety standards  
18 and hazardous liquid pipeline facilities so that  
19 they conform with the federal penalties.  
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21 A BILL  
22 TO BE ENTITLED  
23 AN ACT  
24

25 To amend Sections 37-4-87 and 37-4-96 of the Code of  
26 Alabama 1975; to increase the penalties for violations of gas  
27 pipeline systems and hazardous liquid pipeline facilities.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Sections 37-4-87 and 37-4-96 of the Code  
3 of Alabama 1975, are amended to read as follows:

4 "§37-4-87.

5 "(a) Any person who violates any provision of this  
6 article or of any regulation issued hereunder shall be subject  
7 to a civil penalty ~~of not to exceed \$10,000.00~~ two hundred  
8 thousand dollars (\$200,000) for each violation for each day  
9 that the violation persists. However, the maximum civil  
10 penalty shall not exceed ~~\$500,000.00~~ two million dollars  
11 (\$2,000,000) for any related series of violations.

12 "(b) Any civil penalty may be compromised by the  
13 commission. In determining the amount of the penalty, or the  
14 amount agreed upon in compromise, the appropriateness of the  
15 penalty to the size of the business of the person charged, the  
16 gravity of the violation, and the good faith of the person  
17 charged in attempting to achieve compliance, after  
18 notification of a violation, shall be considered. The amount  
19 of the penalty, when finally determined, or the amount agreed  
20 upon in compromise, may be deducted from any sums owing by the  
21 State of Alabama to the person charged, or may be recovered in  
22 a civil action brought by the commission in the circuit court  
23 of any county in which a violation exists.

24 "§37-4-96.

25 "(a) Any person who violates any provision of this  
26 article or any regulation issued hereunder shall be subject to  
27 a civil penalty not to exceed ~~\$10,000.00~~ two hundred thousand

1 dollars (\$200,000) for each violation for each day that the  
2 violation persists. However, the maximum civil penalty shall  
3 not exceed ~~\$500,000.00~~ two million dollars (\$2,000,000) for  
4 any related series of violations.

5 "(b) In determining the amount of the penalty, the  
6 appropriateness of the penalty to the size of the business of  
7 the person charged, the gravity of the violation, and the good  
8 faith of the person charged in attempting to achieve  
9 compliance, after notification of a violation, shall be  
10 considered. The amount of the penalty, when finally  
11 determined, or the amount agreed upon in compromise, may be  
12 deducted from any sums owing by the State of Alabama to the  
13 person charged, or may be recovered in a civil action brought  
14 by the commission in the circuit court of any county in which  
15 a violation exists."

16 Section 2. This act shall become effective  
17 immediately following its passage and approval by the  
18 Governor, or its otherwise becoming law.