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REFERENCE TITLE: pipeline safety; penalties

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
Second Regular Session  
2004

## **HB 2030**

Introduced by  
Representatives Nelson, Arnold, Hanson, Hubbs, Prezelski: Hershberger,  
Jayne, Robson, Stump

AN ACT

AMENDING SECTIONS 40-441, 40-442 AND 40-443, ARIZONA REVISED STATUTES;  
RELATING TO PIPELINE SAFETY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 40-441, Arizona Revised Statutes, is amended to  
3 read:

4 40-441. Commission safety regulations, rules and orders;  
5 definitions

6 A. For the purpose of providing state control over safety standards  
7 and practices applicable to the transportation of gas and hazardous liquids  
8 and gas and hazardous liquids pipeline facilities within the state to the  
9 full extent permissible under the federal ~~natural gas pipeline safety act of~~  
10 ~~1968, as amended, and the hazardous liquid pipeline safety act of 1979, as~~  
11 ~~amended~~ 1994 (P.L. 103-272; 108 STAT. 745; 49 UNITED STATES CODE SECTIONS  
12 60101 THROUGH 60128), the commission ~~shall be vested with the authority to~~  
13 ~~prescribe and~~ MAY adopt by regulation, rule or order appropriate safety  
14 standards for all such transportation of gas and hazardous liquids and gas  
15 and hazardous liquids pipeline facilities, including both privately owned and  
16 public, which are not subject to exclusive federal control. Upon the  
17 adoption of such regulations, rules or orders, the commission shall ~~from time~~  
18 ~~to time~~ make certifications and reports and take any other necessary action  
19 in accordance with ~~section 5(a) of the federal natural gas pipeline safety~~  
20 ~~act of 1968, as amended, and section 205(a) of the federal hazardous liquid~~  
21 ~~pipeline safety act of 1979, as amended~~ 49 UNITED STATES CODE SECTIONS 60105,  
22 60106 AND 60107.

23 B. All terms used in this article ~~which~~ THAT are defined in the  
24 federal ~~natural gas pipeline safety act of 1968, as amended, and the~~  
25 ~~hazardous liquid pipeline safety act of 1979, as amended, 1994~~ shall have the  
26 definitions set forth in ~~such~~ THAT act.

27 Sec. 2. Section 40-442, Arizona Revised Statutes, is amended to read:

28 40-442. Civil penalty for violation; deduction; other remedies

29 A. Any person, firm or corporation that violates any provision of this  
30 article or any rule or order adopted pursuant to this article pertaining to  
31 the safety of the transportation of gas and hazardous liquids and pipeline  
32 facilities shall be subject to a civil penalty of not to exceed ~~ten~~ ONE  
33 HUNDRED thousand dollars for each violation with each day constituting a  
34 separate violation. In no event shall the maximum civil penalty exceed ~~five~~  
35 ~~hundred thousand~~ ONE MILLION dollars for any related series of violations.

36 B. Any civil penalty pertaining to gas and hazardous liquid pipeline  
37 safety may be compromised by the commission. In determining the amount of  
38 the penalty, or the amount agreed upon in compromise, the appropriateness of  
39 the penalty to the size of the business of the person, firm or corporation  
40 charged, the gravity of the violation and the good faith of the person, firm  
41 or corporation charged in attempting to achieve compliance, after  
42 notification of a violation, shall be considered. The amount of the penalty,  
43 when finally determined, or the amount agreed upon in compromise, may be  
44 deducted from any sums owing by the state to the person, firm or corporation

1 charged or may be recovered in a civil action in the superior court of this  
2 state.

3 C. All monies collected from civil penalties assessed pursuant to this  
4 article and any fines collected by the commission in enforcing this article  
5 and rules relating to pipeline safety shall be deposited, pursuant to  
6 sections 35-146 and 35-147, in the ~~state general fund~~ PIPELINE SAFETY  
7 REVOLVING FUND ESTABLISHED BY SECTION 40-443.

8 D. The commission may avail itself of any other authority or remedies  
9 available under the Constitution of Arizona and this chapter to effect the  
10 purpose of this article, including the provisions of article 9 of this  
11 chapter.

12 Sec. 3. Section 40-443, Arizona Revised Statutes, is amended to read:  
13 40-443. Pipeline safety revolving fund

14 A. A pipeline safety revolving fund is established **CONSISTING OF ALL**  
15 **MONIES COLLECTED FROM CIVIL PENALTIES ASSESSED PURSUANT TO THIS ARTICLE AND**  
16 **ANY FINES COLLECTED BY THE COMMISSION IN ENFORCING THIS ARTICLE AND RULES AND**  
17 **REGULATIONS RELATING TO PIPELINE SAFETY.**

18 B. Subject to legislative appropriation, monies in the fund shall be  
19 used for the purpose of meeting expenses and paying costs associated with gas  
20 and hazardous liquids and gas and hazardous liquids pipeline facilities  
21 safety, including public education, training, purchasing equipment,  
22 inspecting for leaks and other hazards, reviewing pipeline plans,  
23 installation and operation and any other activity of the commission under  
24 this article.

25 C. The monies in the fund are exempt from **THE PROVISIONS OF** section  
26 35-190 relating to lapsing of appropriations.