

## Assembly Bill No. 2201

### CHAPTER 481

An act to amend Section 51018.6 of the Government Code, relating to pipeline safety.

[Approved by Governor September 23, 2012. Filed with  
Secretary of State September 23, 2012.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2201, Bradford. Elder California Pipeline Safety Act of 1981: civil penalties.

Under existing law, the Elder California Pipeline Safety Act of 1981, the State Fire Marshal exercises safety regulatory jurisdiction over intrastate pipelines, and, to the extent authorized by federal law, interstate pipelines used for the transportation of hazardous or highly volatile liquid substances. Existing law provides that a violation, as determined by the State Fire Marshal, of the act, or any regulation adopted pursuant to the act, subjects a person to a civil penalty of not more than \$10,000 for each day that the violation persists, except that the maximum civil penalty is not permitted to exceed \$500,000 for any related series of violations. Existing law requires these penalties to be deposited into the Local Training Account in the California Hazardous Liquid Pipeline Safety Fund, available upon appropriation by the Legislature, as specified.

This bill would raise the civil penalties to \$200,000 for each day that a violation persists, and the maximum for any related series of violations to \$2,000,000.

*The people of the State of California do enact as follows:*

SECTION 1. Section 51018.6 of the Government Code is amended to read:

51018.6. (a) The State Fire Marshal shall adopt regulations for conducting enforcement proceedings pursuant to this section. These regulations shall include provisions for the service and the content of the notice of probable violation, response options, conduct of hearings, issuing of the final order, amended final order, and petitions for reconsideration and compromise of penalties, and shall be consistent with the procedures specified in Sections 190.207 to 190.215, inclusive, and Section 190.227 of Title 49 of the Code of Federal Regulations.

(b) If the State Fire Marshal determines, pursuant to the regulations adopted pursuant to subdivision (a), that a person has violated this chapter or any regulation adopted pursuant thereto, that person is subject to a civil

penalty of not more than two hundred thousand dollars (\$200,000) for each day that violation persists, except that the maximum civil penalty shall not exceed two million dollars (\$2,000,000) for any related series of violations.

(c) The amount of the penalty shall be assessed by the State Fire Marshal pursuant to the regulations adopted pursuant to subdivision (a). In determining the amount of the penalty, the State Fire Marshal shall consider the nature, circumstances, and gravity of the violation and, with respect to the person found to have committed the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, any good faith attempts to achieve compliance, ability to pay the penalty, and any other matters as justice may require.

(d) A civil penalty assessed under subdivision (b) may be recovered in an action brought by the Attorney General on behalf of the state. Prior to referring the penalty action to the Attorney General, the State Fire Marshal may accept an offer to compromise the amount of the assessed penalty pursuant to the regulations adopted pursuant to subdivision (a).

(e) The State Fire Marshal shall deposit all civil penalties assessed pursuant to this section in the Local Training Account in the California Hazardous Liquid Pipeline Safety Fund. The money in the Local Training Account is available, upon appropriation by the Legislature, to the State Fire Marshal, who shall use the money for providing hazardous liquid fire suppression training to local fire departments.