
**Technology & Economic Development
Committee**

HB 2135

Brief Description: Establishing a mitigation fund for businesses affected by certain pipeline accidents.

Sponsors: Representatives Frame, Tarleton and Santos.

Brief Summary of Bill

- Establishes the Pipeline Accident Mitigation Account (PAMA) for the purpose of mitigating costs associated with significant pipeline accidents.
- Authorizes the Utilities and Transportation Commission to, at the direction of the Governor, transfer up to \$500,000 in moneys collected from penalties assessed under the state's pipeline safety laws from the Pipeline Safety Account to the PAMA during the 2017-2019 fiscal biennium.
- Authorizes the Department of Commerce to administer the pipeline accident mitigation program and to determine the eligibility criteria for pipeline accident mitigation loans.
- Contains an emergency clause.

Hearing Date: 3/9/17

Staff: Nikkole Hughes (786-7156).

Background:

Utilities and Transportation Commission.

The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of privately-owned utilities and transportation companies in Washington, including natural gas and electrical companies. The UTC is also responsible for developing and enforcing safety

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standards for natural gas and hazardous liquid pipelines located within the state. The UTC inspects the portions of interstate natural gas and hazardous liquid pipelines located within the state, while the federal Pipeline and Hazardous Materials Safety Administration is responsible for interstate pipeline safety standards and enforcement actions.

Pipeline Safety Account.

A pipeline company, or any person, officer, agent, or employee of a pipeline company that violates the state's pipeline safety laws is subject to a civil penalty to be assessed by the UTC. Any penalties collected by the UTC must be deposited into the Pipeline Safety Account. Moneys in the Pipeline Safety Account may only be spent after appropriation and may only be used for funding pipeline safety.

Department of Commerce.

The Department of Commerce (Department) funds and administers a variety of programs that provide emergency and disaster assistance to individuals, communities, and businesses.

Summary of Bill:

The Pipeline Accident Mitigation Account (PAMA) is created for the purpose of mitigating costs associated with significant pipeline accidents.

During the 2017-2019 fiscal biennium, the UTC may, at the direction of the Governor, transfer up to \$500,000 in moneys collected from penalties assessed under the state's pipeline safety laws from the Pipeline Safety Account to the PAMA.

The Department is authorized to administer and make expenditures from the PAMA for the following:

- grants or loans to private and nonprofit entities for temporary assistance to private entities for costs incurred as a result of damage caused by a significant pipeline accident; and
- the Department's administrative expenses.

The Department may determine the eligibility criteria for loans made from the PAMA, including maximum awards for individual applicants and application requirements. An appropriation is not required for expenditures from the PAMA.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill contains an emergency clause and takes effect immediately.