

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 592

**FISCAL
NOTE**

BY SENATOR HALL

[Introduced February 12, 2016;

Referred to the Committee on Government
Organization.]

1 A BILL to amend and reenact §24B-5-3 of the Code of West Virginia, 1931, as amended, relating
 2 to pipeline safety and the method of calculating the amount of special license fees paid by
 3 pipeline companies to the Public Service Commission.

Be it enacted by the Legislature of West Virginia:

1 That §24B-5-3 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 5. EMPLOYEES OF COMMISSION; FUNDING.

§24B-5-3. Funding; property and revenue license fees.

1 (a) Every pipeline company shall pay a special license fee in addition to those now
 2 required by law. The amount of ~~such~~ the fees shall be fixed by the Public Service Commission
 3 and levied by it annually ~~upon each of such pipeline companies~~ on each pipeline company at a
 4 rate of \$18.60 per ~~according to the number~~ mile of three-inch equivalent pipeline ~~miles~~
 5 in the company's ~~its~~ pipeline facilities. The number of miles of three-inch equivalent pipeline shall
 6 be determined ~~and shall be apportioned among such pipeline companies upon~~ on the basis of
 7 the pipeline companies' reports submitted to the commission in such form as the commission may
 8 prescribe, ~~so as to produce a revenue of not more than \$385,000 per annum, which~~ and the
 9 special license fees shall be paid on or before July 1 in each year.

10 (b) Such sums collected under subsection (a) of this section shall be paid into the State
 11 Treasury and kept as a special fund, designated the Public Service Commission Pipeline Safety
 12 Fund, to be appropriated as provided by law for the purpose of paying the salaries, compensation,
 13 costs and expenses of its employees to the extent of the employee's direct involvement in the
 14 enforcement of the provisions of this article. Any balance in said fund at the end of any fiscal year
 15 shall not revert to the treasury, but shall remain in said fund and may be appropriated as provided
 16 in this subsection. All funds which heretofore were in the Public Service Commission Gas Pipeline
 17 Safety Fund shall be transferred to the Public Service Commission Pipeline Safety Fund.

NOTE: The purpose of this bill is to change the method used to calculate the amount of special license fees paid by pipeline companies to the Public Service Commission, both to make the amount of the annual fee easier for pipeline companies to determine, and to reflect the growth in pipeline mileage within the state that will be subject to the safety standards and practices of the West Virginia Gas Pipeline Safety Act. The bill is revenue neutral for pipeline mileage existing at the time of passage. New pipeline mileage added after passage of the bill will be subject to the stated charge per mile. The total amount to be collected annually will no longer be capped (currently \$385,000.), and the cap instead will apply to the charge per mile in order to accomplish the two goals stated above.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.