

## CHAPTER 105

## PIPE LINES. OPERATION AND REGULATION

## H. F. 216

AN ACT to provide for the issuing of a permit to pipe-line companies engaged in the business of owning, operating or controlling lines for the transportation or transmission of gas, gasoline, oils, or motor fuels and/or inflammable fluids within or through this state; providing for construction and annual inspection fees; providing for the regulation of the construction, location and inspection of pipe lines; providing for the right of eminent domain and regulating the use of such right; providing that the board of railroad commissioners shall have supervision over pipe lines, and providing for the fixing of property security and responsibility by pipe-line companies for the protection of persons sustaining damage by them; fixing jurisdiction in the district court of the county where any controversy arises involving said pipe lines, and providing a method of service of notice of suit against pipe-line companies; and providing for injunction and penalty for violation of same; and repealing chapter three hundred eighty-three-D one (383-D1), Code, 1931.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. 1. The term "pipe line" insofar as this chapter is  
2 concerned shall include and mean any pipe, pipes or pipe lines used  
3 for the transportation or transmission of gas, gasoline, oils or motor  
4 fuels and/or inflammable fluids within or through this state.

5 2. The term "pipe-line company", insofar as this chapter is con-  
6 cerned shall include and mean any person, firm, copartnership, asso-  
7 ciation, corporation or syndicate engaged in or organized for the  
8 purpose of owning, operating or controlling pipe lines for the trans-  
9 portation or transmission of gas, gasoline, oils or motor fuels and/or  
10 inflammable fluids within or through this state.

11 3. The term "commission" when used in this chapter means the  
12 board of railroad commissioners.

13 4. It is hereby declared to be the purpose and policy of the  
14 legislature in enacting this law to confer upon the commission the  
15 power and authority to supervise the transportation or transmission  
16 of gas, gasoline, oils or motor fuels and/or inflammable fluid within  
17 or through this state by pipe line, whether specifically mentioned  
18 herein or not, so as to protect the safety and welfare of the public  
19 in their use of any public and/or private highways, grounds, waters  
20 and streams of any kind in this state.

1 SEC. 2. No pipe-line company shall construct, maintain or operate  
2 any pipe line or lines under, along, over or across any public and/or  
3 private highways, grounds, waters or streams of any kind in this  
4 state except in accordance with the provisions of this chapter.

1 SEC. 3. The commission is vested with power and authority and  
2 it shall be its duty to supervise all pipe lines and pipe-line companies  
3 and shall from time to time inspect and examine the construction,  
4 maintenance and the condition of said pipe lines and whenever said  
5 board shall determine that any pipe line or any apparatus, device or  
6 equipment used in connection therewith is unsafe and dangerous it  
7 shall immediately in writing notify said pipe-line company, construc-  
8 ting or operating said pipe line, device, apparatus or other equip-  
9 ment to repair or replace any defective or unsafe part or portion of  
10 said pipe line, device, apparatus or equipment.

1 SEC. 4. Any pipe-line company engaging in its said business in  
2 this state shall file with the board of railroad commissioners its  
3 verified petition asking for a permit to construct, maintain and  
4 operate its pipe line or lines along, over or across the public and/or  
5 private highways, grounds, waters and streams of any kind of this  
6 state. Any pipe-line company now owning or operating a pipe line  
7 in this state shall be issued a permit by the commission upon supply-  
8 ing the information as provided for in section five.

1 SEC. 5. Said petition shall state:

2 1. The name of the individual, firm, corporation, company, or  
3 association asking for said permit.

4 2. The applicant's principal office and place of business.

5 3. A legal description of the route of said proposed line or lines,  
6 together with a map thereof.

7 4. A general description of the public and/or private highways,  
8 grounds and waters, streams and private lands of any kind along,  
9 over or across which said proposed line or lines will pass.

10 5. The specifications of material and manner of construction.

11 6. The maximum and normal operating pressure under which it  
12 is proposed to transport gas, gasoline, oils, or motor fuels and/or  
13 inflammable fluids.

1 SEC. 6. Upon the filing of said petition the board of railroad  
2 commissioners shall fix a date for hearing thereon and shall cause  
3 notice thereof to be published in some newspaper of general circula-  
4 tion in each county through which said proposed line or lines will  
5 extend; said notice to be published for two consecutive weeks.

1 SEC. 7. Said hearing shall not be less than ten days nor more than  
2 thirty days from the date of the last publication and shall be held  
3 in the office of said board of railroad commissioners, or such place  
4 as the commission shall designate.

1 SEC. 8. Any person, corporation, company, city or town whose  
2 rights or interests may be affected by said pipe line or lines may file  
3 written objections to said proposed pipe line or lines or to the grant-  
4 ing of said permit.

1 SEC. 9. All such objections shall be on file in the office of said  
2 board of railroad commissioners not less than five (5) days before  
3 the date of hearing on said application but said board of railroad  
4 commissioners may permit the filing of said objections later than  
5 five (5) days before said hearing, in which event the applicant must  
6 be granted a reasonable time to meet said objections.

1 SEC. 10. The said board of railroad commissioners may examine  
2 the proposed route of said pipe line or lines or may cause such ex-  
3 amination to be made by an engineer selected by it. At said hearing  
4 the said board of railroad commissioners shall consider said petition  
5 and any objections filed thereto and may in its discretion hear such  
6 testimony as may aid it in determining the propriety of granting  
7 such permit.

1 SEC. 11. It may grant such permit in whole or in part upon such  
2 terms, conditions and restrictions as to safety requirements and as

3 to location and route as may be determined by it to be just and  
4 proper. Provided, however, that before any permit shall be granted  
5 to any pipe-line company proposing to engage in intrastate com-  
6 merce, the commission shall, after a public hearing as provided in  
7 this chapter, determine whether the services proposed to be ren-  
8 dered will promote the public convenience and necessity, and an  
9 affirmative finding to such effect shall be a condition precedent to  
10 the granting of such permit.

1 SEC. 12. Applicant shall pay all costs and expenses of the hearing  
2 and necessary preliminary investigation in connection therewith in-  
3 cluding the cost of publishing notice of hearing and shall pay a con-  
4 struction inspection fee in the sum of fifty cents per mile of pipe  
5 line or fraction thereof for each inch of diameter of such pipe line  
6 located in the state of Iowa.

1 SEC. 13. Every pipe-line company shall pay an annual inspection  
2 fee in the sum of twenty-five cents per mile of pipe line or fraction  
3 thereof for each inch of diameter of such pipe line located in the  
4 state of Iowa and said inspection fee to be paid for the calendar  
5 year in advance and before January 1st of each year to the board  
6 of railroad commissioners.

1 SEC. 14. It shall be the duty of the commission to collect all in-  
2 spection fees provided in this chapter, and failure to pay any such  
3 inspection fee within thirty days after the time the same shall be-  
4 come due shall be cause for revocation of the permit.

1 SEC. 15. The commission shall on the last day of each month  
2 remit to the treasurer of state all moneys collected under this chap-  
3 ter during such month.

1 SEC. 16. All moneys received under the provisions of this chapter  
2 or so much thereof as may be necessary shall be used for the ad-  
3 ministration and enforcement of the provisions of this chapter and  
4 the regulation of pipe lines and shall be paid to the commission by  
5 warrant drawn from time to time by the comptroller of state upon  
6 the treasurer of state. Unexpended balances on December thirty-  
7 first of each year shall be credited to the general fund of the state by  
8 June thirtieth following.

1 SEC. 17. The said board of railroad commissioners shall have full  
2 authority and power to promulgate such rules and regulations as it  
3 deems proper and expedient to insure the orderly conduct of the  
4 hearings herein provided for and also to prescribe rules and regu-  
5 lations for the enforcement of this act.

1 SEC. 18. The said board of railroad commissioners shall cause to  
2 be prepared a uniform blank form of permit which shall provide a  
3 space for a general description of the route authorized thereby, the  
4 name and address of the pipe-line company to whom said permit is  
5 granted and the terms and conditions upon which it is granted. The  
6 provisions of this chapter shall not be retroactive as against existing  
7 rights of property owners where pipe lines have been constructed

8 or are in the process of construction. Said permit shall be signed  
9 by the chairman of the board of railroad commissioners and the  
10 official seal of said board shall be attached thereto.

1 SEC. 19. No exclusive right shall ever be granted to any pipe-line  
2 company to construct, maintain and operate its pipe line or lines  
3 along, over or across any public highway, grounds or waters and  
4 no such permit shall ever be granted for a longer period than twenty-  
5 five years.

1 SEC. 20. No permit shall be sold until the sale is approved by  
2 the commission.

1 SEC. 21. If a transfer of such permit is made before the con-  
2 struction for which it was issued is completed in whole or in part  
3 such transfer shall not be effective until the person, company or  
4 corporation to whom it was issued shall file in the office of said board  
5 of railroad commissioners a notice in writing stating the date of  
6 such transfer and the name and address of said transferee.

1 SEC. 22. The board of railroad commissioners shall keep a record  
2 of all permits granted and issued by it, showing when and to whom  
3 issued and the location and route of said pipe line or lines covered  
4 thereby. When any transfer of such permit has been made as pro-  
5 vided in this chapter the said board shall also note upon its record  
6 the date of such transfer and the name and address of such trans-  
7 feree.

1 SEC. 23. Any pipe-line company owning a permit granted under  
2 this chapter desiring to acquire an extension of such permit may  
3 petition the board in the same manner provided for the granting of  
4 such permit and the same proceeding shall be had as on an original  
5 application.

1 SEC. 24. Any pipe-line company having secured a permit as in  
2 this chapter provided shall thereupon be vested with the right of  
3 eminent domain to such extent as may be necessary and as pre-  
4 scribed and approved by said board of railroad commissioners, not  
5 exceeding seventy-five feet in width for right of way and not ex-  
6 ceeding one acre in any one location in addition to right of way for  
7 the location of pumps, pressure apparatus or other stations or equip-  
8 ment necessary to the proper operation of its said pipe line or lines.  
9 If agreement cannot be made with the private owner of lands as to  
10 damages caused by the construction of said pipe line the same pro-  
11 ceedings shall be taken as provided for taking private property for  
12 works of internal improvement.

13 Nothing in this chapter shall authorize the construction of a pipe  
14 line longitudinally on, over or under any railroad right of way or  
15 public highway, or at other than an approximate right angle to such  
16 railroad track or public highway without the consent of such rail-  
17 road company, the highway commission or board of supervisors, as  
18 the case may be, nor shall any provision of this chapter authorize  
19 or give the right of condemnation or eminent domain for such pur-  
20 poses.

1     SEC. 25. Pipe-line companies operating pipe lines shall have rea-  
2 sonable access to the same for the purpose of constructing, recon-  
3 structing, enlarging, repairing or locating its pipes, pumps, pressure  
4 apparatus or other stations, devices or equipment used in or upon  
5 such line but shall pay to the owner of such lands for the right of  
6 entry thereon and the owner of crops thereon all damages caused by  
7 entering, using or occupying said lands for said purposes; and shall  
8 pay to the owner or owners of such lands all damages caused after  
9 the completion of construction of said pipe line on account of wash  
10 or erosion of the soil at or along the location of said pipe line by  
11 reason of the construction thereof upon said lands on account of the  
12 settling of the soil along and above said pipe line, provided, that  
13 nothing herein contained shall prevent the execution of an agree-  
14 ment between the pipe-line company and the owner of said land or  
15 crops with reference to the use thereof.

1     SEC. 26. Before any permit is granted under the provisions of  
2 this chapter the applicant must satisfy the board of railroad com-  
3 missioners that the applicant has property within this state other  
4 than pipe lines, subject to execution of a value in excess of \$50,000,  
5 or said applicant must file and maintain with said board a surety  
6 bond in the penal sum of \$50,000 with surety approved by the board,  
7 conditioned that said applicant will pay any and all damages legally  
8 recovered against it growing out of the operation of its said pipe  
9 line in the state of Iowa. When such pipe-line company deposits  
10 with said board of railroad commissioners security satisfactory to  
11 said board as a guaranty for the payment of said damages, or fur-  
12 nishes to said board satisfactory proofs of its solvency and financial  
13 ability to pay said damages, the said pipe-line company shall be  
14 relieved of the said provisions requiring bond.

1     SEC. 27. In all cases arising under this chapter the district court  
2 of any county, through which said pipe-line company is located, shall  
3 have jurisdiction; and service of original notice on the pipe-line  
4 company therein shall be had and made upon the chairman of the  
5 board of railroad commissioners.

1     SEC. 28. If said pipe-line company fails to obey an order within  
2 a time prescribed by the said board of railroad commissioners the  
3 said commission may commence an equitable action in the district  
4 court of the county where said defective, unsafe, or dangerous por-  
5 tion of said pipe line, device, apparatus or equipment is located to  
6 compel compliance with its said order. If, after due trial of said  
7 action the court finds that said order is reasonable, equitable and  
8 just, it shall decree a mandatory injunction compelling obedience to  
9 and compliance with said order and may grant such other relief as  
10 may be just and proper. Appeal from said decree may be taken in  
11 the same manner as in other actions.

1     SEC. 29. For a violation of any injunction or other process issued,  
2 any pipe-line company or any officer, agent, or employee thereof,  
3 shall be fined for contempt in the sum not exceeding one thousand  
4 dollars. In addition to any other penalty the court may fix a sum  
5 not exceeding one thousand dollars which each defaulting company,

6 officer, or agent shall pay after a fixed date for each day such in-  
 7 junction or other process is disobeyed and render judgment for  
 8 penalty which shall accrue from disobedience after the time fixed.  
 9 One half of such sums collected shall be paid into the treasury of  
 10 the county where the judgment is rendered and one half into the  
 11 state treasury.

1 SEC. 30. If any section, subsection, clause, sentence or phrase of  
 2 this act is for any reason held to be unconstitutional and invalid,  
 3 such decision shall not affect the validity of the remaining portions  
 4 of this act. The legislature hereby declares that it would have passed  
 5 this act and each section, subsection, sentence, clause or phrase  
 6 thereof irrespective of the fact that any one or more of the sections,  
 7 subsections, sentences, clauses or phrases be declared unconstitu-  
 8 tional.

1 SEC. 31. Chapter three hundred eighty-three-D one (383-D1),  
 2 Code, 1931, is repealed.

1 SEC. 32. This act, being deemed of immediate importance, shall  
 2 be in force and effect after publication in Plain Talk, a newspaper  
 3 published in Des Moines, Iowa, and in the Muscatine Journal, a  
 4 newspaper published in Muscatine, Iowa.

House File No. 216. Approved March 9, 1934.

I hereby certify that the foregoing act was published in the Muscatine Journal,  
 March 23, 1934, and Des Moines Plain Talk, March 22, 1934.

MRS. ALEX MILLER, *Secretary of State.*

## CHAPTER 106

### IOWA SECURITIES ACT

S. F. 227

AN ACT to amend the law regulating the sale of securities as appears in chapter three hundred ninety-three-C one (393-C1) of the Code of Iowa, 1931; to repeal paragraph "b" of section eighty-five hundred eighty-one-c four (8581-c4) relating to exempt securities; to repeal paragraph "f" of section eighty-five hundred eighty-one-c four (8581-c4) relating to exempt securities, and to enact a substitute therefor; to amend paragraph "f" of section eighty-five hundred eighty-one-c five (8581-c5) relating to exempt transactions; to amend paragraph "h" of section eighty-five hundred eighty-one-c five (8581-c5) relating to exempt transactions; to repeal paragraph "i" of section eighty-five hundred eighty-one-c five (8581-c5) relating to exempt transactions and to enact a substitute therefor; to amend section eighty-five hundred eighty-one-c six (8581-c6) relating to registration of securities; to repeal section eighty-five hundred eighty-one-c seven (8581-c7); to amend section eighty-five hundred eighty-one-c eight (8581-c8) relating to registration by qualification; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to the regulation of price and commission; to amend section eighty-five hundred eighty-one-c nine (8581-c9) relating to consent to service; to amend section eighty-five hundred eighty-one-c eleven (8581-c11) relating to registration of dealers and salesmen; to amend section eighty-five hundred eighty-one-c twelve (8581-c12) relating to deposits for special examinations; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to trust funds; to amend section eighty-five hundred eighty-one-c thirteen (8581-c13) relating to revocation of dealers' and salesmen's registration; to amend chapter three hundred ninety-three-C one (393-C1) relating