

# House Study Bill 160

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
COMMERCE/UTILITIES  
DIVISION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to interstate natural gas pipelines including  
2 requirements regarding construction, operation, and  
3 maintenance, applicable penalties and resultant damages, and  
4 easements.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

6 TLSB 1294DP 81

7 kk/gg/14

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1 1 Section 1. Section 306A.3, unnumbered paragraph 2, Code  
1 2 2005, is amended to read as follows:

1 3 The department shall adopt rules, pursuant to chapter 17A,  
1 4 embodying a utility accommodation policy which imposes  
1 5 reasonable restrictions on placements occurring on or after  
1 6 the effective date of the rules, on primary road rights-of=  
1 7 way. The rules may require utilities to give notice to the  
1 8 department prior to installation of a utility system on a  
1 9 primary road right-of-way and obtain prior permission from the  
1 10 department for the proposed installation. The rules shall  
1 11 recognize emergency situations and the need for immediate  
1 12 installation of service extensions subject to the standards  
1 13 adopted by the department and the utilities board. The rules  
1 14 shall be no less stringent than the standards adopted by the  
1 15 utilities board pursuant to chapters 478, 479, ~~479A~~, and 479B.  
1 16 This paragraph shall not be construed as granting the  
1 17 department authority which has been expressly granted to the  
1 18 utilities board to determine the route of utility  
1 19 installations. If the department requires a utility company  
1 20 permit, the department shall be required to act upon the  
1 21 permit application within thirty days of its filing. In cases  
1 22 of federal-aid highway projects on nonprimary highways, the  
1 23 local authority with jurisdiction over the highway and the  
1 24 department shall comply with all federal regulations and  
1 25 statutes regarding utility accommodation.

1 26 Sec. 2. Section 479A.1, Code 2005, is amended to read as  
1 27 follows:

1 28 479A.1 PURPOSE.

1 29 It is the purpose of the general assembly in enacting this  
1 30 law to confer upon the utilities board the power and authority  
1 31 ~~to implement certain controls over the transportation of~~  
~~1 32 natural gas to protect landowners and tenants from~~  
~~1 33 environmental or economic damages which may result from the~~  
~~1 34 construction, operation, or maintenance of a pipeline within~~  
~~1 35 the state. It is also the purpose of the general assembly in~~

~~2 1 enacting this law to provide for the board to act as an agent~~  
2 2 for the federal government in determining pipeline company  
2 3 compliance with the standards of the federal government for  
2 4 pipelines within the boundaries of the state.

2 5 Sec. 3. Sections 479A.3, 479A.5, 479A.6, 479A.8, 479A.10,  
2 6 479A.12 through 479A.17, and 479A.19 through 479A.28, Code  
2 7 2005, are repealed.

2 8 EXPLANATION

2 9 This bill concerns the regulation of interstate pipelines,  
2 10 pipeline companies, and the underground storage of gas by the  
2 11 utilities division of the department of commerce.

2 12 The bill strikes from the purpose of Code chapter 479A  
2 13 conferring upon the utilities board authority over the  
2 14 interstate transportation of natural gas and the protection of  
2 15 landowners and tenants from the construction, operation, or  
2 16 maintenance of a pipeline in this state.

2 17 The bill repeals a provision restricting the construction  
2 18 of pipelines along highways, waters, and streams, a provision  
2 19 requiring notice to the board prior to the construction of a  
2 20 pipeline, a provision requiring a pipeline company to pay  
2 21 certain inspection costs, a provision granting authority to  
2 22 the utilities board to collect inspection fees and assess  
2 23 civil penalties for failure to pay inspection fees, a  
2 24 provision granting the utilities board the authority to adopt  
2 25 rules for the enforcement of Code chapter 479A, and a  
2 26 provision requiring pipeline companies to post a bond prior to  
2 27 construction of a pipeline.

2 28 The bill also repeals a provision requiring filing of a  
2 29 surety before construction begins, a provision granting  
2 30 jurisdiction to the district court of any county for cases  
2 31 arising under Code chapter 479A, a provision granting  
2 32 authority to the utilities board to adopt rules establishing  
2 33 standards for the restoration of agricultural land after  
2 34 pipeline construction, a provision permitting a pipeline  
2 35 company to enter private land for land surveys, and a  
3 1 provision providing for civil penalties and judicial review.

3 2 The bill repeals a provision allowing the cancellation of  
3 3 an agreement granting an easement by the person seeking the  
3 4 easement and a provision permitting a landowner or pipeline  
3 5 company to petition a magistrate for an appointment of an  
3 6 arbitrator. The bill also repeals a provision prohibiting a  
3 7 pipeline company from installing a subsequent pipeline upon an  
3 8 existing easement until pending damage claims are resolved,  
3 9 and a provision prohibiting a pipeline company from installing  
3 10 a pipeline unless a written statement regarding construction  
3 11 damages is on file with the board.

3 12 The bill repeals a provision regarding the negotiation of  
3 13 an annual fee for an easement, and a provision describing  
3 14 compensable losses and claims for damages due to use of a  
3 15 pipeline easement. The bill repeals a provision relating to a  
3 16 county board of supervisors making a determination of the  
3 17 amount of damages caused by a pipeline company when installing  
3 18 a pipeline, and a provision regarding compensation for  
3 19 additional costs of new tile construction caused by an  
3 20 existing pipeline. The bill also repeals a provision  
3 21 regarding the reversion of an easement due to nonuse and a  
3 22 provision permitting a landowner or contractor to require the  
3 23 presence of the pipeline company during farmland improvement  
3 24 near a pipeline.

3 25 The bill provides that the utilities board should only act  
3 26 as an agent for the federal government and not directly  
3 27 regulate interstate pipelines. The board shall continue to  
3 28 inspect the construction, maintenance, and condition of  
3 29 pipelines and underground storage facilities and collect fees  
3 30 for inspection.

3 31 The bill makes other conforming corrections.

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