

Senate File 136 - Introduced

SENATE FILE 136

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A BILL FOR

1 An Act relating to hazardous liquid pipelines, including
2 the establishment of setbacks and safety regulations,
3 specified utility construction project requirements, pipeline
4 project investor disclosures, voluntary easement negotiation
5 requirements, and provisions for land surveys in connection
6 with hazardous liquid pipeline construction projects, and
7 including effective date and applicability provisions.

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

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DIVISION I

COUNTY SETBACK AND SAFETY REGULATION

Section 1. Section 331.301, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 27. A county may adopt and enforce setback and safety requirements for hazardous liquid pipeline projects that exceed state and federal laws and regulations.

DIVISION II

PIPELINE PROJECTS

Sec. 2. Section 479.25, Code 2025, is amended to read as follows:

479.25 Damages.

1. A pipeline company operating a pipeline or a gas storage area shall have reasonable access to the pipeline or gas storage area for the purpose of constructing, operating, maintaining, or locating pipes, pumps, pressure apparatus or other stations, wells, devices, or equipment used in or upon the pipeline or gas storage area; shall pay the owner of the land for the right of entry and the owner of crops for all damages caused by entering, using, or occupying the land; and shall pay to the owner all damages caused by the completion of construction of the pipeline due to wash or erosion of the soil at or along the location of the pipeline and due to the settling of the soil along and above the pipeline. However, this section shall not prevent the execution of an agreement between the pipeline company and the owner of land or crops with reference to the use of the land.

2. A claim for crop yield loss damages pursuant to this section shall not be precluded from renegotiation under section 6B.52 on the grounds that the damages were apparent at the time of settlement or on the grounds that more than five years have elapsed since the date of the settlement.

Sec. 3. Section 479A.11, Code 2025, is amended to read as follows:

479A.11 Damages.

1. A pipeline company operating pipelines or underground

1 storage shall be given reasonable access to the pipelines
2 and storage areas for the purpose of constructing, operating,
3 maintaining, or locating ~~their~~ its pipes, pumps, pressure
4 apparatus, or other stations, wells, devices, or equipment used
5 in or upon a pipeline or storage area, but shall pay the owner
6 of the lands for the right of entry and the owner of crops on
7 the land all damages caused by entering, using, or occupying the
8 lands for these purposes; and shall pay to the owner of the
9 lands, after the completion of construction of the pipeline or
10 storage, all damages caused by settling of the soil along and
11 above the pipeline, and wash or erosion of the soil along the
12 pipeline due to the construction of the pipeline. However, this
13 section does not prevent the execution of an agreement with other
14 terms between the pipeline company and the owner of the land or
15 crops with reference to their use.

16 2. A claim for crop yield loss damages pursuant to this
17 section shall not be precluded from renegotiation under section
18 6B.52 on the grounds that the damages were apparent at the time
19 of settlement or on the grounds that more than five years have
20 elapsed since the date of the settlement.

21 Sec. 4. Section 479B.4, subsection 1, Code 2025, is amended
22 to read as follows:

23 1. A pipeline company doing business in this state shall file
24 a verified petition with the commission asking for a permit to
25 construct, maintain, and operate a new pipeline along, over,
26 or across the public or private highways, grounds, waters, and
27 streams of any kind in this state. Any pipeline company now
28 owning or operating a pipeline or underground storage facility
29 in this state shall be issued a permit by the commission upon
30 supplying the information as provided for in section 479B.5,
31 subsections 1 through 5, and section 479B.34, and meeting the
32 requirements of section 479B.13.

33 Sec. 5. Section 479B.4, Code 2025, is amended by adding the
34 following new subsections:

35 NEW SUBSECTION. 7. The commission shall not issue a permit,

1 or conduct a contested case proceeding relating to the issuance
2 of a permit, for a liquefied carbon dioxide pipeline unless,
3 after January 1, 2025, the federal pipeline and hazardous
4 materials safety administration has provided new rules updating
5 the safety standards for liquefied carbon dioxide pipelines,
6 including requirements related to emergency preparedness and
7 response.

8 NEW SUBSECTION. 8. A pipeline company must release the
9 results of all plume modeling studies that the company has
10 conducted upon applying for a permit that vests the power of
11 eminent domain pursuant to this chapter.

12 Sec. 6. Section 479B.9, Code 2025, is amended to read as
13 follows:

14 **479B.9 Final order — condition.**

15 The commission may grant a permit in whole or in part upon
16 terms, conditions, and restrictions as to location and route as
17 it determines to be just and proper. A permit shall not be
18 granted to a pipeline company unless the commission determines
19 that the proposed services will promote the public convenience
20 and necessity. The commission shall not grant a permit to
21 construct a liquefied carbon dioxide pipeline unless such a
22 permit is expressly conditioned upon the pipeline company burying
23 the pipeline with at least eight feet of cover to allow for
24 future drainage and obtaining all other applicable permits,
25 including federal and state regulatory permits, state and local
26 highway and road crossing permits, and local zoning permits.

27 Sec. 7. Section 479B.16, subsection 1, Code 2025, is amended
28 to read as follows:

29 1. A pipeline company granted a pipeline permit shall,
30 subject to subsection 4, be vested with the right of eminent
31 domain, to the extent necessary and as prescribed and approved
32 by the commission, not exceeding seventy-five feet in width for
33 right-of-way and not exceeding one acre in any one location in
34 addition to right-of-way for the location of pumps, pressure
35 apparatus, or other stations or equipment necessary to the

1 proper operation of its pipeline. The commission may grant
2 additional eminent domain rights where the pipeline company has
3 presented sufficient evidence to adequately demonstrate that a
4 greater area is required for the proper construction, operation,
5 and maintenance of the pipeline or for the location of pumps,
6 pressure apparatus, or other stations or equipment necessary to
7 the proper operation of its pipeline. A pipeline company seeking
8 rights under this section is subject to requirements of section
9 479B.35.

10 Sec. 8. Section 479B.16, Code 2025, is amended by adding the
11 following new subsections:

12 NEW SUBSECTION. 4. The commission shall not grant a
13 liquefied carbon dioxide pipeline company the right of eminent
14 domain under this chapter for an interstate hazardous liquid
15 pipeline project unless the company acquires at least ninety
16 percent of the affected parcels and ninety percent of the
17 pipeline project's total distance through voluntary easements or
18 through preexisting easements. The company shall submit regular
19 reports on its progress in acquiring voluntary easements as
20 determined by the commission.

21 NEW SUBSECTION. 5. The commission shall not grant a
22 liquefied carbon dioxide pipeline company the right of eminent
23 domain under this chapter for an interstate hazardous liquid
24 pipeline project unless the company first acquires all applicable
25 pipeline construction and zoning permits from the other states
26 the project will be constructed in.

27 Sec. 9. Section 479B.20, subsection 5, Code 2025, is amended
28 to read as follows:

29 5. If the pipeline company or its contractor does not comply
30 with the requirements of this section, with the land restoration
31 plan or line location, or with an independent agreement on land
32 restoration executed in accordance with subsection 10, the county
33 board of supervisors or a landowner may petition the commission
34 for an order requiring corrective action to be taken. In
35 addition, the county board of supervisors or a landowner may

1 file a complaint with the commission seeking imposition of civil
2 penalties under section 479B.21. A landowner may supply a copy
3 of the complaint to the county board of supervisors where the
4 complaint originated.

5 Sec. 10. Section 479B.20, Code 2025, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 13. For the purposes of this section,
8 "landowner" also includes a farm tenant.

9 Sec. 11. Section 479B.29, Code 2025, is amended to read as
10 follows:

11 **479B.29 Particular damage claims.**

12 1. Compensable losses shall include, but are not limited to,
13 all of the following:

14 a. Loss or reduced yield of crops or forage on the pipeline
15 right-of-way, whether caused directly by construction or from
16 disturbance of usual farm operations.

17 b. Loss or reduced yield of crops or yield from land near
18 the pipeline right-of-way resulting from lack of timely access to
19 the land or other disturbance of usual farm operations, including
20 interference with irrigation or drainage.

21 c. Fertilizer, lime, or organic material applied by the
22 landowner to restore land disturbed by construction to full
23 productivity.

24 d. Loss of or damage to trees of commercial or other value
25 that occurs at the time of construction, restoration, or at the
26 time of any subsequent work by the pipeline company.

27 e. The cost of or losses in moving or relocating livestock,
28 and the loss of gain by or the death or injury of livestock
29 caused by the interruption or relocation of normal feeding.

30 f. Erosion and soil compaction on lands attributable to
31 pipeline construction.

32 g. Damage to farm equipment caused by striking a pipeline,
33 debris, or other material reasonably associated with pipeline
34 construction while engaged in normal farming operations as
35 defined in section 480.1.

1 h. Damage to soil or water conservation structures caused
2 by construction, restoration, or subsequent work by the pipeline
3 company including but not limited to terraces, grassed waterways,
4 water and sediment control basins, ponds, saturated buffers, and
5 biofilters.

6 i. Damage to irrigation or drainage systems caused by
7 construction, restoration, or subsequent work by the pipeline
8 company.

9 2. A claim for ~~damage for future crop deficiency within~~
10 ~~the easement strip~~ damages incurred under this section shall
11 not be precluded from renegotiation under section 6B.52 on the
12 grounds that it was apparent at the time of settlement ~~unless the~~
13 ~~settlement expressly releases the pipeline company from claims~~
14 ~~for damage to the productivity of the soil or on the grounds~~
15 that more than five years have elapsed since the date of the
16 settlement. The landowner shall notify the pipeline company in
17 writing fourteen days prior to harvest in each year to assess
18 crop deficiency.

19 3. A landowner that incurred damage under this section is
20 eligible for compensation for damages. A landowner may file an
21 action for relief against a pipeline company in small claims or
22 district court for a violation of this section or pursue remedies
23 under section 479B.30, subsection 7.

24 4. For the purposes of this section, "landowner" also
25 includes a farm tenant.

26 Sec. 12. Section 479B.30, subsection 7, Code 2025, is amended
27 to read as follows:

28 7. As used in this section, "damages":

29 a. "Damages" means compensation for damages to the land,
30 crops, and other personal property caused by the construction of
31 a pipeline and its attendant structures or underground storage
32 facility but does not include compensation for a property
33 interest, and "landowner".

34 b. "Landowner" includes a farm tenant.

35 Sec. 13. NEW SECTION. 479B.34 Seeking the right of eminent

1 **domain — investor disclosures.**

2 A pipeline company seeking the right of eminent domain for a
3 pipeline project shall include in its permit application all of
4 the following:

5 1. The names of all planned pipeline project investors.

6 2. The home addresses of all planned pipeline project
7 investors.

8 3. Each investor's range of planned monetary investment as
9 follows:

10 a. At least one dollar, but less than ten thousand dollars.

11 b. At least ten thousand dollars, but less than fifty
12 thousand dollars.

13 c. At least fifty thousand dollars, but less than one hundred
14 thousand dollars.

15 d. At least one hundred thousand dollars, but less than five
16 hundred thousand dollars.

17 e. At least five hundred thousand dollars, but less than one
18 million dollars.

19 f. At least one million dollars.

20 Sec. 14. NEW SECTION. **479B.35 Voluntary easement**

21 **negotiation requirements.**

22 1. A pipeline company intending to apply for a permit under
23 section 479B.4 and seeking a voluntary easement agreement from a
24 landowner shall not engage in easement negotiation unless prior
25 signed, witnessed, and notarized written permission is granted
26 from each affected landowner.

27 2. If consent pursuant to subsection 1 is granted,
28 contact between the company or its land agents and affected
29 landowners shall not exceed two written, verbal, or electronic
30 communications per month unless signed, witnessed, and notarized
31 written permission to exceed two communications from each
32 affected landowner is granted.

33 3. A violation of this section shall be reported to the
34 commission. The commission shall set a public hearing for each
35 violation or set of violations alleged by affected landowners.

1 4. Upon a finding of a violation of this section, the
2 commission shall order a one thousand dollar fine per violation.
3 The fine shall be remitted to the affected landowner.

4 5. An affected landowner shall have a cause of action against
5 a pipeline company in violation of this section.

6 Sec. 15. REPEAL. Section 479B.15, Code 2025, is repealed.

7 Sec. 16. EFFECTIVE DATE. This division of this Act, being
8 deemed of immediate importance, takes effect upon enactment.

9 Sec. 17. APPLICABILITY. This division of this Act applies to
10 all applications for a permit to construct a pipeline pursuant to
11 chapter 479B filed with the Iowa utilities commission on or after
12 July 1, 2021, and to permits issued on or after the effective
13 date of this division of this Act.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill relates to hazardous liquid pipelines, including
18 the establishment of setbacks and safety regulations,
19 easement requirements for utilities and landowner rights
20 regarding pipeline construction, voluntary easement negotiation
21 requirements, surveys in connection with hazardous liquid
22 pipeline projects, pipeline project investor disclosures, and
23 provisions relating to entry of land.

24 Division I of the bill allows counties to adopt setback and
25 safety requirements for hazardous liquid pipeline projects that
26 exceed the protections afforded in state and federal laws.

27 Division II of the bill provides that the Iowa utilities
28 commission (commission) shall not issue a permit for a liquefied
29 carbon dioxide pipeline until the federal pipeline and hazardous
30 materials safety administration provides new rules updating the
31 safety standards for liquefied carbon dioxide pipelines. The
32 bill also provides that the commission shall not grant a permit
33 to construct a liquefied carbon dioxide pipeline unless the
34 permit is conditioned upon the pipeline company (company) burying
35 the pipeline with at least eight feet of cover to allow for

1 future drainage and obtaining all other applicable permits,
2 including federal and state regulatory permits, state and local
3 highway and road crossing permits, and local zoning permits. The
4 company must release the results of any plume modeling studies
5 upon applying for a permit that vests the company with the power
6 of eminent domain.

7 The bill requires a company seeking to use eminent domain
8 to first acquire at least 90 percent of the affected parcels
9 and 90 percent of the pipeline project's total distance through
10 voluntary easements or through preexisting easements. The bill
11 prohibits the commission from granting a company the right
12 of eminent domain for an interstate hazardous liquid pipeline
13 project unless the company first acquires all applicable pipeline
14 construction and zoning permits from the other states the project
15 will be constructed in.

16 The bill allows a landowner to file a complaint with the
17 commission and to notify the relevant county board of supervisors
18 of a violation of land restoration standards. The bill expands
19 the meaning of "landowner" under Code section 479B.20 to include
20 a farm tenant.

21 The bill expands damages that constitute compensable loss
22 under Code section 479B.29 to include soil compaction, damage to
23 soil or water conservation structures, and damage to irrigation
24 or drainage systems, and adds "farm tenant" to the definition
25 of "landowner". The bill expands the claims a landowner can
26 bring and receive compensation for to include any identifiable
27 compensable loss resulting from pipeline activity. A landowner
28 may file an action for relief in small claims or district court
29 against a company for a violation of Code section 479B.29.

30 The bill modifies the definition of damages for purposes
31 of construction damages under Code section 479B.30 to include
32 compensable losses listed under Code section 479B.29.

33 The bill requires a company applying for a permit and
34 negotiating a voluntary easement to first acquire signed,
35 witnessed, and notarized written permission from an affected

1 landowner. Upon consent being granted, a company or company's
2 agents shall not exceed two communications per month with a
3 landowner unless the landowner waives the restriction through
4 written permission. Violations of the bill shall be reported
5 to the commission, which shall set a public hearing. If the
6 commission finds a violation has occurred, the commission shall
7 fine the company \$1,000 per violation and collect and deliver the
8 amount to the affected landowner.

9 The bill provides an affected landowner a cause of action
10 against a company in violation of the provisions of the bill.

11 The bill provides that a company seeking eminent domain rights
12 shall include investor information in the application for a
13 permit submitted to the commission. The permit application shall
14 include the names and home addresses of all planned pipeline
15 investors and the range of planned investment per investor as
16 indicated in the bill.

17 The bill removes a provision allowing a company to enter upon
18 private land for the purpose of surveying and examining the land
19 by giving 10 days' written notice to a landowner.

20 Division II of the bill takes effect upon enactment.

21 Division II of the bill applies retroactively to all
22 applications for a permit to construct a pipeline pursuant to
23 Code chapter 479B filed with the commission on or after July 1,
24 2021. Division II of the bill also applies to permits issued by
25 the commission on or after the effective date of the division.