

Senate File 2067 - Introduced

SENATE FILE 2067

BY KLIMESH

A BILL FOR

1 An Act relating to easements for hazardous liquid
2 pipelines, including negotiation requirements, eminent domain
3 authorization, and contract execution, and including effective
4 date, applicability, and retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **479B.1A Legislative intent.**

2 It is the goal of the general assembly that the right of
3 eminent domain will not be granted for a hazardous liquid
4 pipeline except when every other reasonably available alternative
5 has been diligently exhausted. Further goals of the general
6 assembly are to promote the production of energy, derived from
7 crops grown and resources gathered within the state of Iowa,
8 and elsewhere within the United States, to ensure long-term,
9 economically competitive and diverse sources of energy for
10 Iowans, for citizens of the United States, and for our customers
11 abroad; to support agriculture in the state of Iowa, and the
12 employment of Iowans in agricultural work and in affiliated
13 industries; to encourage investment in Iowa agriculture, and in
14 the facilities needed to process our produce and to deliver
15 useful products to consumers; to provide reasonable conditions
16 for the planning and construction of linear infrastructure
17 projects that will serve the public convenience and necessity;
18 and to vindicate and safeguard the property rights of all Iowans,
19 including those who prefer not to accommodate the construction
20 of a pipeline on their land, as well as those who would choose
21 to convey an easement for valuable consideration in a voluntary
22 transaction.

23 Sec. 2. Section 479B.2, Code 2026, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 6. "*Voluntary easement corridor*" means land
26 within the county where an informational meeting is held or
27 within a distance of five miles on either side of a proposed
28 pipeline route.

29 Sec. 3. Section 479B.4, subsections 5 and 6, Code 2026, are
30 amended to read as follows:

31 5. a. The notice shall ~~set forth~~ include the following:

32 (1) The name of the applicant.

33 (2) The applicant's principal place of business.

34 (3) The general description and purpose of the proposed
35 project.

1 (4) The general nature of the right-of-way desired.

2 (5) A map showing the route or location of the proposed
3 project.

4 (6) ~~That~~ A statement that the landowner has a right to
5 be present at the meeting and to file objections with the
6 commission.

7 (7) A designation of the time and place of the meeting.

8 (8) A copy of the template easement to be used for acquiring
9 land for the project.

10 (9) A description of the methodology to be used in
11 determining the value of the easement for initial offers.

12 (10) A statement of the policy for claiming damages.

13 b. The notice shall be served by certified mail with return
14 receipt requested not less than thirty days previous to the time
15 set for the meeting, and shall be published once in a newspaper
16 of general circulation in the county. The publication shall
17 be considered notice to landowners whose residence is not known
18 and to each person in possession of or residing on the property
19 provided a good faith effort to notify can be demonstrated by the
20 pipeline company.

21 6. A pipeline company seeking rights under this chapter shall
22 not negotiate or purchase an easement or other interest in land
23 in a county known to be affected by the proposed project prior
24 to the informational meeting. Nothing in this subsection shall
25 prohibit a company seeking rights under this chapter from holding
26 a meeting to provide general information regarding a project to
27 a community that does not include negotiating specific terms with
28 specific landowners prior to the informational meeting required
29 by this section.

30 Sec. 4. Section 479B.4, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 7. Any person may file with the commission
33 comments regarding the terms of the template easement or
34 valuation methodology within fifteen days after it is filed under
35 subsection 5. The company may file responses to such comments

1 within thirty days after its filings pursuant to subsection 5.
2 The commission shall issue an order accepting, rejecting, or
3 requiring modification of the template easement and valuation
4 methodology no more than sixty days after they are filed. This
5 process shall not delay either the informational meetings or the
6 company's ability to negotiate with landowners, but no easement
7 shall be finalized before the template easement is approved.

8 Sec. 5. Section 479B.16, Code 2026, is amended by adding the
9 following new subsections:

10 NEW SUBSECTION. 4. a. Following the public informational
11 meeting held pursuant to section 479B.4 and proper publication of
12 notice required by section 479B.4, subsection 5, paragraph "b",
13 a pipeline company may communicate with owners of record of any
14 land within the voluntary easement corridor for the purpose of
15 proposing voluntary transactions for the conveyance of easements
16 for the project, without regard to whether such landowner
17 received prior notice by mail. The pipeline company shall not
18 be required to provide to such landowners prior individual notice
19 of the proposed project before initiating communication.

20 b. Before entering into a voluntary agreement with a
21 landowner who did not receive notice of the informational meeting
22 by mail, the pipeline company shall provide such landowner
23 copies of the informational meeting materials presented by the
24 commission, the consumer advocate, and the company seeking rights
25 under this chapter.

26 c. In a pipeline company's initial communication with a
27 landowner, the company shall provide a written description of the
28 opt-out procedure described in paragraph "d".

29 d. A landowner may decline further communication with a
30 pipeline company concerning a possible transaction for easement
31 rights by providing verbal or written notice to the pipeline
32 company that states the landowner does not wish to discuss
33 the matter further, and by submitting to the commission notice
34 through mail or by electronic means stating the same. Upon
35 receipt of such notice from the landowner, the commission shall

1 forward a copy to the pipeline company. Such notice may be given
2 up to seven calendar days after the time a landowner is provided
3 with a written easement offer.

4 e. After receipt of notice by the landowner pursuant to
5 paragraph "d", the pipeline company shall not initiate further
6 contact with the landowner for the purpose of an easement
7 transaction, except that the company may send one or more letters
8 by certified mail to the landowner making an offer or soliciting
9 further communication. A landowner may rescind such refusal by
10 contacting the pipeline company and notifying the commission no
11 later than seven calendar days after the notice of refusal.
12 Unless the landowner rescinds the refusal, the landowner's land
13 shall be deemed unavailable for an easement agreement.

14 NEW SUBSECTION. 5. a. This subsection shall apply only to a
15 hazardous liquid pipeline for which a pipeline company requests
16 authority to use eminent domain to acquire interests in land.

17 b. For a hazardous liquid pipeline that is proposed to exceed
18 twenty miles in length within the state, the pipeline company
19 shall make a diligent effort to assemble a route consisting
20 exclusively of easements within the voluntary easement corridor
21 that are acquired through voluntary conveyances. A pipeline
22 company shall not be eligible to request authority to use eminent
23 domain except upon a showing to the commission that it has made
24 such diligent effort.

25 c. After initiating communication with a landowner pursuant
26 to subsection 4, a pipeline company shall provide a landowner
27 with a description of the proposed project and the easement
28 rights the company seeks to acquire, and shall request permission
29 to conduct a civil survey. If the permission for a civil survey
30 is granted, the pipeline company shall conduct the civil survey
31 within ninety business days.

32 d. If a civil survey conducted pursuant to paragraph "c"
33 finds the land is not suitable for purposes of the project,
34 the pipeline company shall promptly provide the landowner with
35 written notice of this finding and shall file with the commission

1 a copy of the notice. Otherwise, within ninety business days
2 of the completion of the civil survey, the pipeline company
3 may submit to the landowner a written offer for purchase of
4 the easement. The pipeline company shall, before filing an
5 application requesting eminent domain, submit such an offer to
6 the owners of land that might be used to assemble a route
7 not including the land for which eminent domain is requested.
8 The offer shall include customary terms and conditions for the
9 conveyance of easements, and shall also include all of the
10 following:

11 (1) A statement of the requirements applicable under the laws
12 of this state and rules adopted by the commission relating to the
13 construction, operation, and maintenance of a hazardous liquid
14 pipeline upon land subject to the proposed easement, including
15 land restoration, tile repair, and damages.

16 (2) A statement that the landowner and the pipeline company
17 may agree to different terms not contrary to Iowa law, but that
18 such provisions shall be set forth expressly in a contract for
19 conveyance of an easement.

20 (3) An offer of cash compensation for the easement, which
21 may differ in amount from the compensation offered to other
22 landowners for easements of similar dimensions on similar land.

23 e. The pipeline company shall seek to execute contracts for
24 the voluntary conveyance of easements within one year of initial
25 communication with the landowners within a particular county.
26 If, however, after no less than six months, the company is unable
27 to execute contracts for easements sufficient to assemble a route
28 for the pipeline, the company shall file with the commission a
29 notice setting forth all of the following:

30 (1) The parcels for which the company has failed to reach
31 easement agreements and for which eminent domain is sought, or
32 that would, if an easement were granted, provide an alternative
33 to each eminent domain parcel, and the names of the owners of
34 those parcels.

35 (2) A list of the contacts made relating to each parcel

1 identified in subparagraph (1), including the date and method of
2 each contact, and a brief description of any issues causing an
3 impasse for that parcel.

4 (3) Either a request for an extension for further
5 negotiations or a statement that no agreement can be reached for
6 that parcel.

7 f. All data in the filing made under paragraph "e" shall
8 be held confidential and shall not be subject to disclosure in
9 response to a request under chapter 22.

10 g. For any easement that the pipeline company seeks to
11 acquire using eminent domain, the company shall file with the
12 commission all of the following:

13 (1) Evidence establishing that the company diligently
14 exhausted all alternatives to assemble a continuous route for the
15 project exclusively by means of voluntarily conveyed easements,
16 and that it was unable to do so for one or more of the following
17 reasons:

18 (a) Inability to obtain voluntary agreements for continuous
19 easements on adjoining parcels within a county where an
20 informational meeting was held, or outside that county but within
21 five miles of the center line of the proposed pipeline route in
22 that county, due to rejection by landowners of offers based on
23 a valuation methodology approved by the commission, or due to
24 the refusal of landowners to engage in communications with the
25 company pursuant to subsection 4, paragraph "d".

26 (b) Technical or engineering infeasibility of construction in
27 a specific location due to terrain, other natural features, or
28 land conditions.

29 (c) Infeasibility of compliance with safety requirements
30 relating to construction, operation, or maintenance of a
31 pipeline, under applicable federal law or rules, in a specified
32 location, due to terrain, other natural features or land
33 conditions, presence of occupied or other man-made structures, or
34 if the commission finds on engineering evidence that safety would
35 otherwise be adversely impacted by a route using only voluntary

1 easements and such safety would be materially improved by use of
2 a route facilitated by eminent domain.

3 (d) Economic infeasibility of the pipeline due to excessive
4 easement acquisition costs for alternative routes to avoid the
5 use of eminent domain. For purposes of this subparagraph,
6 economic infeasibility shall be shown by clear and convincing
7 evidence.

8 (2) A statement setting forth why the company requires an
9 easement on the specific parcel for which the company seeks
10 eminent domain.

11 h. Deadlines established by subsection 4 and this subsection
12 shall be subject to extension by the commission upon a showing of
13 good cause.

14 Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate
15 importance, takes effect upon enactment.

16 Sec. 7. APPLICABILITY — RETROACTIVE APPLICABILITY.

17 1. Except as provided in subsection 2, this Act applies to
18 the construction of any hazardous liquid pipeline for which a
19 petition is filed on or after the effective date of this Act.

20 2. a. Except as provided in paragraph "b", this Act applies
21 retroactively to the construction of any hazardous liquid
22 pipeline designed for the transportation of liquefied carbon
23 dioxide for which a petition is filed under chapter 479B on or
24 after January 1, 2024.

25 b. The portion of the section of this Act enacting section
26 479B.16, subsection 4, applies retroactively to the construction
27 of pipelines designed for the transportation of liquefied carbon
28 dioxide for which a petition was filed under chapter 479B on or
29 after January 1, 2022.

30

EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

33 This bill relates to easements for hazardous liquid pipelines,
34 including negotiation requirements, eminent domain authorization,
35 and contract execution.

1 The bill states as the goal of the general assembly that the
2 right of eminent domain will not be granted for a hazardous
3 liquid pipeline except when every other reasonably available
4 alternative has been diligently exhausted. Further stated
5 goals include promoting the production of energy, supporting
6 agriculture in the state of Iowa and the employment of
7 Iowans in agricultural work, encouraging investment in Iowa
8 agriculture, providing reasonable conditions for the planning and
9 construction of linear infrastructure projects, and vindicating
10 and safeguarding the property rights of all Iowans.

11 Under current law, a pipeline company seeking a permit
12 for a new hazardous liquid pipeline must give notice of the
13 informational meeting to each landowner affected by the proposed
14 project and each person in possession of or residing on the
15 property. The notice must contain certain information. The bill
16 provides that, in addition to the currently required information,
17 a copy of the template easement to be used for acquiring land
18 for the project, a description of the methodology to be used in
19 determining the value of the easement for initial offers, and a
20 statement of the policy for claiming damages must be included in
21 the notice.

22 The bill allows any person to file comments with the
23 commission regarding the template easement or valuation
24 methodology within 15 days of the filing, and allows the pipeline
25 company to respond to the comments within 30 days of the
26 company's filing.

27 The bill requires the commission to issue an order accepting,
28 rejecting, or requiring modification of the template easement or
29 valuation methodology within 60 days of the filing. The bill
30 provides that the process of evaluating the template easement and
31 valuation methodology must not delay the informational meeting
32 or the company's ability to negotiate with landowners, but
33 stipulates that no easement can be finalized until the template
34 easement is approved.

35 The bill allows a pipeline company to communicate for

1 easement negotiations with landowners within the county where
2 an informational meeting is held or within a five-mile corridor
3 of a proposed pipeline following a public information meeting
4 regardless of whether the landowner received prior notice by
5 mail. The bill states individual notice to landowners prior to
6 initiating communication is not required by a pipeline company.
7 The bill requires the pipeline company to provide landowners
8 who did not receive notice of the informational meeting by mail
9 copies of the informational meeting materials presented by the
10 commission, the consumer advocate, and the company.

11 The bill requires a pipeline company to provide a written
12 description of the opt-out procedure during the initial
13 communication between the company and the landowner. The bill
14 requires the pipeline company to provide landowners who did not
15 receive notice of the informational meeting by mail copies of
16 the informational meeting materials presented by the commission,
17 the consumer advocate, and the company. The opt-out procedure
18 allows a landowner to decline further communication with the
19 company. To initiate this opt-out procedure, the landowner must
20 inform the pipeline company through verbal or written notice and
21 send the Iowa utilities commission (commission) a communication
22 through mail or by electronic means indicating the landowner's
23 intent to opt out. The bill requires the notice to be sent
24 within seven days from the time the landowner is provided with
25 a written easement offer. The bill directs the commission to
26 forward the communication from the landowner to the company.
27 Once the pipeline company has received notice by the landowner
28 of the landowner's intent to opt out, the bill prohibits the
29 pipeline company from initiating any further contact with the
30 landowner for the purpose of an easement transaction, except that
31 the company may send one or more letters by certified mail to the
32 landowner making an offer or soliciting further communication.
33 The opt out may be rescinded by the landowner by notifying
34 the pipeline company and the commission and must be received
35 within seven calendar days after the notice of refusal. The

1 bill provides that unless the landowner rescinds the refusal, the
2 landowner's land is deemed unavailable for an easement agreement.

3 The bill provides that certain requirements are only
4 applicable to a hazardous liquid pipeline for which a pipeline
5 company requests authority to use eminent domain to acquire
6 interests in land.

7 The bill requires a pipeline company proposing a hazardous
8 liquid pipeline exceeding 20 miles in length within the state
9 of Iowa to make a diligent effort to assemble a route made
10 exclusively of voluntary easements. A company will not be
11 eligible to request the authority of eminent domain unless a
12 diligent effort is shown to the commission.

13 The bill requires a pipeline company to provide to the
14 landowner a description of the proposed project and the easement
15 rights the company seeks to acquire, and request permission to
16 conduct a civil survey after initiating communication with a
17 landowner to acquire an easement.

18 If a civil survey is conducted and the land is found
19 unsuitable for the pipeline, the bill requires the company to
20 provide the landowner written notice of the finding and file a
21 copy of the notice with the commission. Otherwise, the bill
22 allows the company to submit to the landowner a written offer for
23 purchase of an easement within 90 business days after completion
24 of the civil survey. The bill directs that before filing an
25 application requesting eminent domain, the pipeline company must
26 submit such offer to the owner of the land that might be used to
27 assemble a route not including that land for which eminent domain
28 is requested. The bill requires any offer to include customary
29 terms and conditions of conveyance of easements, along with a
30 statement of relevant requirements under state law and commission
31 rules, a statement that the landowner and the pipeline company
32 may agree to different terms that will be expressly stated in
33 the contract, and an offer of cash compensation, which may differ
34 from those offered to other landowners.

35 The bill requires a pipeline company to seek execution of

1 contracts for voluntary easements within one year of the initial
2 communication with the landowners within a particular county. If
3 after no less than six months the company has been unable to
4 execute sufficient easement contracts to assemble a route, the
5 bill directs the company to file with the commission a notice
6 that must include the parcels for which no agreement was reached
7 and for which eminent domain is sought, or that would, if an
8 easement were granted, provide an alternative to each eminent
9 domain parcel, the names of the owners of the parcels, a list
10 of contacts made relating to each previously identified parcel
11 that includes the date and method of each contact and a brief
12 description of the issues causing an impasses for that parcel,
13 and either a request for extension to further negotiate or a
14 statement that no agreement can be reached for each parcel. The
15 bill directs this data to be held confidential and such data is
16 not subject to disclosure in response to a request under Code
17 chapter 22.

18 For any easement the pipeline company seeks to acquire using
19 eminent domain, the bill requires the company to file with
20 the commission evidence establishing that the company diligently
21 exhausted all alternatives to assemble a continuous route for the
22 project exclusively through voluntarily conveyed easements and a
23 statement setting forth why the company requires an easement on
24 the specific parcel for which the company seeks eminent domain.

25 The bill allows the commission to extend deadlines established
26 in the bill upon a showing of good cause.

27 The bill takes effect upon enactment. The bill applies
28 retroactively to the construction of any hazardous liquid
29 pipeline designed for the transportation of liquefied carbon
30 dioxide for which a petition is filed under Code chapter 479B
31 on or after January 1, 2024, except that the provisions of new
32 Code section 479B.16(4) apply retroactively to the construction
33 of pipelines designed for the transportation of liquefied carbon
34 dioxide for which a petition was filed under Code chapter 479B
35 on or after January 1, 2022. Otherwise, the bill applies to

1 the construction of any hazardous liquid pipeline for which a
2 petition is filed on or after the effective date of the bill.

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