

**House File 2448 - Reprinted**

HOUSE FILE 2448  
BY COMMITTEE ON GOVERNMENT  
OVERSIGHT

(SUCCESSOR TO HSB 640)

(As Amended and Passed by the House April 5, 2016)

**A BILL FOR**

1 An Act relating to the construction, erection, maintenance,  
2 operation, or sale of specified electric transmission lines,  
3 and including effective date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 478.6A Merchant line franchises  
2 — requirements — limitations.

3 1. a. For purposes of this section, "bifurcation" means  
4 the conducting of two separate hearings when a petition  
5 involves the taking of property under eminent domain, one  
6 hearing considering whether the proposed line is necessary to  
7 serve a public use and represents a reasonable relationship  
8 to an overall plan of transmitting electricity in the public  
9 interest, and the other considering the granting of eminent  
10 domain authority.

11 b. For purposes of this section, "merchant line" means a  
12 high-voltage direct current electric transmission line which  
13 does not provide for the erection of electric substations at  
14 intervals of less than fifty miles, which substations are  
15 necessary to accommodate both the purchase and sale to persons  
16 located in this state of electricity generated or transmitted  
17 by the franchisee.

18 2. A petition for a franchise to construct a merchant line,  
19 in addition to any other applicable requirements pursuant to  
20 this chapter, shall be subject to all of the following:

21 a. The board shall not permit the bifurcation in any manner  
22 of a petition and shall reject any request by a petitioner for  
23 bifurcation.

24 b. Notwithstanding section 478.10, the sale and transfer of  
25 a merchant line, by voluntary or judicial sale or otherwise,  
26 shall not carry with it the transfer of the franchise.

27 c. Notwithstanding section 478.21, if a petition that  
28 involves the taking of property under eminent domain is not  
29 approved by the board and a franchise granted within three  
30 years following the date of the first informational meeting  
31 held in any county regarding the petition, pursuant to section  
32 478.2, the utilities board shall reject the petition and make a  
33 record of the rejection. A petitioner may not file a petition  
34 for the same or a similar project that has been rejected under  
35 this subsection within sixty months following the date of

1 rejection.

2 *d.* The board shall not grant a petition that involves the  
3 taking of property under eminent domain unless a minimum of  
4 seventy-five percent of the easements necessary to construct  
5 the project have been obtained voluntarily.

6 *e.* In considering whether to grant a petition that involves  
7 the taking of property under eminent domain, section 478.3,  
8 subsection 3, is not applicable, and the term "*public*" shall be  
9 interpreted to be limited to consumers located in this state.

10 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
11 immediate importance, takes effect upon enactment.

12 Sec. 3. APPLICABILITY. This Act is applicable to petitions  
13 for franchise filed on or after November 1, 2014, that have not  
14 been approved by the utilities board on or after the effective  
15 date of this Act, and to petitions for franchise filed on or  
16 after the effective date of this Act.