

SENATE BILL NO. 262

March 4, 1997, Introduced by Senators GOUGEON, MC MANUS, NORTH and DUNASKISS and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1929 PA 16, entitled

"An act to regulate the business of carrying or transporting, buying, selling or dealing in crude oil or petroleum or its products, through pipe lines; to authorize the use of public highways and the condemnation of private property; to regulate the purchase and storage of crude oil or petroleum; to provide for the control and regulation of all corporations, associations and persons engaged in such business, by the Michigan public utilities commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties for violations of the provisions hereof,"

(MCL 483.1 to 483.11) by adding sections 2a and 2b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 2A. (1) AS USED IN THIS SECTION AND SECTION 2B:
2 (A) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,
3 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.
4 (B) "PIPELINE" MEANS A PIPELINE USED OR TO BE USED TO TRANS-
5 PORT CRUDE OIL OR PETROLEUM.

1 (2) A PERSON WHO IS CONDUCTING SURVEY WORK FOR A PROPOSED
2 PIPELINE UNDER THIS ACT SHALL NOTIFY ALL AFFECTED PROPERTY OWNERS
3 IN WRITING BEFORE A SURVEY CREW ENTERS THE OWNER'S PROPERTY.

4 (3) ANY OFFER TO A LANDOWNER FOR AN EASEMENT FOR THE PURPOSE
5 OF LOCATING, CONSTRUCTING, MAINTAINING, OPERATING, AND TRANSPORT-
6 ING CRUDE OIL OR PETROLEUM PIPELINES ON AGRICULTURAL PROPERTY IN
7 THIS STATE SHALL INCLUDE ALL OF THE FOLLOWING INFORMATION:

8 (A) THE ANTICIPATED PHYSICAL IMPACT OF PIPELINE CONSTRUCTION
9 ON THE LANDOWNER'S PROPERTY.

10 (B) WRITTEN ASSURANCE THAT ANY AGRICULTURAL DRAINAGE TILE
11 THAT IS DAMAGED OR REMOVED DURING THE CONSTRUCTION OR REPAIR OF A
12 PIPELINE WILL BE REPAIRED OR REPLACED TO PRECONSTRUCTION WORKING
13 CONDITION. AS USED IN THIS SUBDIVISION, "DRAINAGE TILE" INCLUDES
14 ANY SURFACE OR SUBSURFACE SYSTEM BY WHICH THE MOVEMENT OF WATER
15 IS REDIRECTED.

16 (C) WRITTEN ASSURANCE THAT TOPSOIL THAT IS DISTURBED DUE TO
17 CONSTRUCTION OR REPAIR OF A PIPELINE IS PROPERLY SEPARATED AND
18 REPLACED. AS USED IN THIS SUBDIVISION, "TOPSOIL" MEANS SURFACE
19 SOIL THAT IS PRESUMED TO BE FERTILE AS DISTINGUISHED FROM
20 SUBSOIL.

21 (D) THE METHOD BY WHICH PROPERTY WILL BE APPRAISED.

22 (E) FOR PROPERTY USED TO PRODUCE CROPS PRIOR TO CONSTRUCTION
23 OF A PIPELINE, AN ESTIMATE OF THE VALUE OF THE LOSS OF THE PRO-
24 DUCTIVITY BASED ON THE HISTORIC YIELD OF THE SITE BEFORE CON-
25 STRUCTION OF A PIPELINE. THE AGRICULTURAL PROPERTY OWNER SHALL
26 PROVIDE HISTORIC CROP YIELD VALUES UPON REQUEST.

1 (F) THAT PAYMENT WILL BE MADE FOR ALL DAMAGES INCURRED AFTER
2 CONSTRUCTION OF THE PIPELINE DUE TO THE PIPELINE OWNER'S OR
3 OPERATOR'S ENTRY UPON THE PROPERTY TO EXERCISE EASEMENT RIGHTS,
4 EXCEPT THAT THE OWNER OR OPERATOR OF THE PIPELINE IS ALLOWED TO
5 MAINTAIN A CLEAR RIGHT-OF-WAY WITHOUT FURTHER COMPENSATION BEING
6 DUE TO THE LANDOWNER.

7 (G) THAT THE LANDOWNER HAS RIGHTS UNDER THE UNIFORM CONDEM-
8 NATION PROCEDURES ACT, 1980 PA 87, MCL 213.51 TO 213.77, AND A
9 COPY OF THE ACT TO THE LANDOWNER.

10 SEC. 2B. A PIPELINE COMPANY SHALL MAKE A GOOD-FAITH EFFORT
11 TO MINIMIZE THE PHYSICAL IMPACT AND ECONOMIC DAMAGE THAT RESULT
12 FROM THE CONSTRUCTION AND REPAIR OF A PIPELINE.

Enacting section 1. This amendatory act takes effect September
1, 1997.