

CHAPTER 483. OIL, GAS, AND BRINE LINES

CRUDE OIL AND PETROLEUM

Act 16 of 1929

AN ACT to regulate the business of carrying or transporting, buying, selling, or dealing in crude oil or petroleum or its products, or certain substances consisting primarily of carbon dioxide 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 or certain substances consisting primarily of carbon dioxide; to provide for the control and regulation of all corporations, associations, and persons engaged in such business, by the Michigan public service commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—Am. 2014, Act 85, Imd. Eff. Apr. 1, 2014.

The People of the State of Michigan enact:

483.1 Definitions; crude oil, petroleum, or carbon dioxide substances; buying, selling, or transporting; applicability of subsection (2).

Sec. 1. (1) As used in this act:

(a) "Carbon dioxide substance" means a gaseous or liquid substance, consisting primarily of carbon dioxide, that will be put in storage or that has been or will be used to produce hydrocarbons in a secondary or enhanced recovery operation.

(b) "Commission" means the Michigan public service commission.

(c) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(2) A person exercising or claiming the right to carry or transport crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, by or through pipe line or lines, for hire, compensation or otherwise, or exercising or claiming the right to engage in the business of piping, transporting, or storing crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, or engaging in the business of buying, selling, or dealing in crude oil or petroleum or carbon dioxide substances within this state, does not have or possess the right to conduct or engage in the business or operations, in whole or in part, or have or possess the right to locate, maintain, or operate the necessary pipe lines, fixtures, and equipment belonging to, or used in connection with that business on, over, along, across, through, in or under any present or future highway, or part thereof, or elsewhere, within this state, or have or possess the right of eminent domain, or any other right, concerning the business or operations, in whole or in part, except as authorized by and subject to this act.

(3) Subsection (2) does not apply to a right that exists on March 27, 1929 and is valid, vested, and incapable of revocation by any law of this state or of the United States.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11652;—CL 1948, 483.1;—Am. 2014, Act 85, Imd. Eff. Apr. 1, 2014.

483.2 Condemnation for acquisition of right-of-ways; proceedings.

Sec. 2. (1) A person described in section 1 is granted the right to condemn property by eminent domain and the use of the highways in this state to acquire necessary rights-of-way for any of the following purposes:

(a) To transport crude oil or petroleum or carbon dioxide substances.

(b) To locate, lay, construct, maintain, and operate pipelines for the purposes of subdivision (a).

(2) Condemnation proceedings under subsection (1) shall be conducted as provided in the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11653;—CL 1948, 483.2;—Am. 2014, Act 84, Imd. Eff. Apr. 1, 2014.

483.2a "Pipeline" defined; notice to property owners; offer of easement.

Sec. 2a. (1) As used in this section and section 2b, "pipeline" means a pipeline used or to be used to transport crude oil or petroleum or carbon dioxide substances.

(2) A person who is conducting survey work for a proposed pipeline under this act shall notify all affected property owners in writing before a survey crew enters the owner's property.

(3) Any offer to a landowner for an easement for the purpose of locating, laying, constructing, maintaining, and operating pipelines on agricultural property shall include all of the following information:

(a) The anticipated physical impact of pipeline construction on the landowner's property.

(b) Written assurance that any agricultural drainage tile that is damaged or removed during the

construction or repair of a pipeline will be repaired or replaced to preconstruction working condition. As used in this subdivision, "drainage tile" includes any surface or subsurface system by which the movement of water is redirected.

(c) Written assurance that topsoil that is disturbed by construction or repair of a pipeline is properly separated and replaced. As used in this subdivision, "topsoil" means surface soil that is presumed to be fertile as distinguished from subsoil.

(d) The method by which property will be appraised.

(e) For property used to produce crops prior to construction of a pipeline, an estimate of the value of the loss of the productivity based on the historic yield of the site before construction of a pipeline. The agricultural property owner shall provide historic crop yield values upon request.

(f) That payment will be made for all damages incurred after construction of the pipeline because of the pipeline owner's or operator's entry upon the property to exercise easement rights, except that the owner or operator of the pipeline may maintain a clear right-of-way without further compensating the landowner.

(g) That the landowner has rights under the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, and a copy of that act.

History: Add. 1997, Act 125, Imd. Eff. Nov. 5, 1997;—Am. 2014, Act 83, Imd. Eff. Apr. 1, 2014.

483.2b Minimizing physical impact and economic damage; good faith effort by pipeline company.

Sec. 2b. A pipeline company shall make a good-faith effort to minimize the physical impact and economic damage that result from the construction and repair of a pipeline.

History: Add. 1997, Act 125, Imd. Eff. Nov. 5, 1997.

483.3 Control, investigation, and regulation by Michigan public service commission; private business excepted.

Sec. 3. (1) Subject to subsection (2), the commission is granted the power to control, investigate, and regulate a person doing any of the following:

(a) Exercising or claiming the right to carry or transport crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, by or through pipe line or lines, for hire, compensation, or otherwise within this state.

(b) Exercising or claiming the right to engage in the business of piping, transporting, or storing crude oil or petroleum, or any of the products thereof, or carbon dioxide substances within this state.

(c) Engaging in the business of buying, selling, or dealing in crude oil or petroleum or carbon dioxide substances within this state.

(2) Producers or refiners of crude oil or petroleum or carbon dioxide substances or operators of private trunk or gathering lines or other methods of conveying those products, are not subject to this act if the nature and extent of their business is private and no public interest is involved in the conduct of the business.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11654;—CL 1948, 483.3;—Am. 2014, Act 85, Imd. Eff. Apr. 1, 2014.

Compiler's note: The public utilities commission, referred to in this section, was abolished and its powers and duties transferred to the public service commission by MCL 460.4.

483.4 Common purchaser defined; purchase without discrimination.

Sec. 4. A person claiming or exercising the right to carry or transport crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, by pipe line or pipe lines, for hire, compensation, or otherwise, in this state, as owner, lessee, licensee, or by virtue of any other right or claim, or engaging in the business of purchasing or storing crude oil or petroleum or carbon dioxide substances is a common purchaser thereof. The person shall purchase all the crude oil or petroleum or carbon dioxide substances in the vicinity of, or which may be reasonably reached by its pipe lines, or gathering branches, without discrimination in favor of any producer or other person as against another, and shall fully perform all the duties of a common purchaser. However, if the person is unable to perform the duties of a common purchaser or is legally excused from purchasing, transporting, or storing all of the crude oil or petroleum or carbon dioxide substances produced in the vicinity, then it shall purchase, transport, or store crude oil or petroleum or carbon dioxide substances from each producer or other person ratably, in proportion to the average daily production. A common purchaser shall not discriminate in price or amount for like grades of crude oil or petroleum or carbon dioxide substances or facilities as between producers or other persons. If a common purchaser is also a producer, it shall not discriminate in favor of its own production, or storage, or any production or storage in which it is interested directly or indirectly in whole or in part, and shall treat its own production and storage like that of any other producer or other person.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11655;—CL 1948, 483.4;—Am. 2014, Act 85, Imd. Eff. Apr. 1, 2014.

483.5 Common carrier defined; carrier without discrimination.

Sec. 5. A person engaged in the business of carrying or transporting crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, for hire or compensation or otherwise, by pipe line or lines, within this state, is a common carrier thereof as at common law. Such a common carrier shall not allow or commit any unjust or unlawful discrimination, directly or indirectly, in favor of the carriage, transportation, storage, or delivery of any crude, stock, or storage oil, or petroleum, or any products thereof, or carbon dioxide substances that are in its possession or control, or in which the common carrier is interested, directly or indirectly.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11656;—CL 1948, 483.5;—Am. 2014, Act 85, Imd. Eff. Apr. 1, 2014.

483.6 Acceptance of act; plat, filing.

Sec. 6. Before any corporation, association or person shall have, possess, enjoy or exercise the right of eminent domain, right-of-way, right to locate, maintain, or operate pipe lines, fixtures or equipment appurtenant thereto, or used in connection therewith, as authorized by the provisions of this act, or shall have, possess, enjoy or exercise any right conferred by this act, every such corporation, association or person, shall file in the office of the Michigan public utilities commission, an explicit authorized acceptance of the provisions of this act; and in cases of pipe lines a plat showing in detail the points within this state between which, and the route along which, the trunk line or trunk lines are proposed to be constructed, the intended size and capacity thereof, and the location and capacity of all pumping stations, gate valves, check valves and connections and appliances of all kinds used, or to be used, on said trunk line or lines; and upon demand of the commission the proper party or parties, as required by said commission, shall promptly file a plat showing in detail all the lines owned and operated by them respectively, with full and explicit information as to their capacity, size and location, and the valves and connections, of all kinds, respectively required or used in the operation thereof.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11657;—CL 1948, 483.6.

483.7 Penalties; civil liability.

Sec. 7. Any corporation, association or person, violating any provision of this act or any order or regulation of the commission made pursuant thereto, shall be deemed guilty of an unlawful act and shall be liable to a penalty of not less than 100 dollars, nor more than 20,000 dollars. Any officer, agent, representative, employee or servant of any corporation or association or any person who causes, aids or assists, or participates in any such illegal act shall be deemed guilty of a misdemeanor, and on conviction thereof shall be liable to a fine of not less than 100 dollars nor more than 1,000 dollars, or to imprisonment in the county jail not less than 30 days, nor more than 1 year, or to both such fine and imprisonment in the discretion of the court. Said penalty shall be exclusive of civil liability.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11658;—CL 1948, 483.7.

483.8 Public utilities commission; rules and orders.

Sec. 8. The commission is hereby authorized and empowered to make all rules, regulations, and orders, necessary to give effect to and enforce the provisions of this act.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11659;—CL 1948, 483.8.

483.9 Public utilities commission; employment of assistants.

Sec. 9. The commission is hereby authorized and empowered to employ such clerks, inspectors, and experts as may be necessary to carry out and administer the provisions of this act.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11660;—CL 1948, 483.9.

483.11 Immediate effect.

Sec. 11. An emergency is hereby declared, by reason whereof it is necessary for the immediate preservation of the public peace, safety, convenience and welfare that this act take immediate effect.

History: 1929, Act 16, Imd. Eff. Mar. 27, 1929;—CL 1929, 11662;—CL 1948, 483.11.

NATURAL GAS Act 9 of 1929

AN ACT to regulate corporations, associations or persons engaged in the business of carrying and transporting natural gas through pipe lines and to regulate the production, purchase and sale of natural gas; to provide for the control and regulation of such corporations, associations and persons by the Michigan public utilities commission; to define the powers and duties of the commission relative thereto; to prescribe penalties for the violations of the provisions hereof; and to repeal Act No. 29 of the Public Acts of 1889.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929.

The People of the State of Michigan enact:

483.101 Natural gas; buying, selling or transporting.

Sec. 1. Every corporation, association or person, now or hereafter exercising or claiming the right to carry or transport natural gas by or through pipe line or lines, for hire, compensation or otherwise, or now or hereafter exercising or claiming the right to engage in the business of piping or transporting natural gas, or any other person or persons, now or hereafter engaging in the business of buying and selling or transporting natural gas within the limits of this state, shall not have or possess the right to conduct or engage in said business or operations, in whole or in part, as above described, or have or possess the right to locate, maintain or operate the necessary pipe lines, fixtures and equipment thereto belonging, or use in connection therewith, concerning the said business of carrying or transporting natural gas as aforesaid, on, over, along, across, through, in or under any present or future highway, or part thereof, or elsewhere, within the state, or have or possess the right of eminent domain, or any other right or rights, concerning said business or operation, in whole or in part, except as authorized by and subject to the provisions of this act, except, further, and only such right or rights as may already exist which are valid, vested, and incapable of revocation by any law of this state or of the United States.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11632;—CL 1948, 483.101.

483.102 Condemnation to acquire rights-of-way, use of highways; limitation to intrastate transportation.

Sec. 2. For the purpose of acquiring necessary right-of-ways, every such corporation, association or person is hereby granted the right of condemnation by eminent domain, and the use of the highways in this state, for the purpose of transporting natural gas by pipe lines, and for locating, laying, constructing, maintaining and operating the same; and such condemnation proceedings shall be conducted in accordance with the procedure and in the same manner as is provided by the laws of this state for the condemnation of right-of-ways by railroad companies: Provided, however, That no corporation, association or person shall be granted such right of condemnation by eminent domain or the right to use the highways of this state to lay or construct, maintain or operate a pipe line or lines for the transmission or transportation of natural gas unless and except such pipe line or lines are to be used solely and exclusively for the transmission, transportation and distribution of natural gas within the state of Michigan.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11633;—CL 1948, 483.102.

483.103 Control vested in public utilities commission; scope; limitations.

Sec. 3. There is hereby granted to and vested in the Michigan public utilities commission, hereinafter styled the "commission," the power to control and regulate corporations, associations and persons engaged, directly or indirectly, in the business of purchasing or selling or transporting natural gas for public use; and said commission shall investigate any alleged neglect or violation of the laws of the state by any corporation, association or person purchasing or selling natural gas and transmitting or conveying the same by pipe line or lines for public use: Provided, That nothing in this act shall be construed to prevent oil and gas operators or producers of gas from laying pipe lines to transport or transmit gas to drilling wells within this state: And provided further, That factories or industries in this state may transport or transmit gas through pipe lines for their own use in plants located wholly within this state without constituting themselves a common purchaser within the terms of this act.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11634;—CL 1948, 483.103.

Compiler's note: The public utilities commission, referred to in this section, was abolished and its powers and duties transferred to the public service commission by MCL 460.4.

483.104 Common purchaser; definition; purchase without discrimination.

Sec. 4. Every corporation, association or person, now or hereafter claiming or exercising the right to carry or transport natural gas by pipe line or lines, for hire, compensation, or otherwise, within the limits of this state, as owner, lessee, licensee, or by virtue of any other right or claim, or now engaged or hereafter engaging in the business of purchasing and selling natural gas shall be a common purchaser thereof, and shall purchase all the natural gas in the vicinity of, or which may be reasonably reached by its pipe lines, or gathering branches, without discrimination in favor of 1 producer or 1 person as against another, and shall fully perform all the duties of a common purchaser; but if it shall be unable to perform the same, or be legally excused from purchasing and transporting all the natural gas produced or offered, then it shall purchase and transport natural gas from each person or producer ratably, in proportion to the average production, and such common purchasers are hereby expressly prohibited from discriminating in price or amount for like grades of natural gas or facilities as between producers or persons; and in the event it is likewise a producer, it is hereby prohibited from discrimination in favor of its own production, or production in which it may be interested directly or indirectly, in whole or in part, and its own production shall be treated as that of any other person or producer.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11635;—CL 1948, 483.104.

483.105 Regulations of public utilities commission.

Sec. 5. The commission is hereby empowered and it is made its duty to make regulations for the equitable purchasing, taking and collecting of all such gas, for the metering and delivery of the same and for providing adequate facilities for service demanded, which regulations shall apply to all persons affected thereby in like manner; and it shall have authority to relieve any such common purchaser, after due application, notice and hearing, from the obligation of purchasing gas of an inferior quality or grade or from purchasing gas from wells which for economic reasons are not at the time a practicable source of supply.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11636;—CL 1948, 483.105.

Administrative rules: R 460.851 et seq. of the Michigan Administrative Code.

483.106 Common carriers; preference prohibited.

Sec. 6. All corporations, associations and persons, purchasing or collecting natural gas and transmitting or conveying the same for hire, compensation or otherwise by pipe line or lines as a common carrier shall be a common carrier thereof as at common law, and it shall be unlawful for any such common carrier doing business within this state to give, either directly or indirectly, any preference or advantage to any person, copartnership, corporation or locality, in any respect whatsoever as to rates, service, facilities for service or commodity delivered.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11637;—CL 1948, 483.106.

483.107 Maximum daily flow.

Sec. 7. All corporations, associations and persons, whether producing or receiving gas from producers in any production field are hereby prohibited from taking more than 25 per centum of the daily natural flow of any gas well or wells, unless, for good cause shown, under the exigencies of the particular case, the commission shall establish a higher or lower per centum under the prescribed rules and regulations thereof.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11638;—CL 1948, 483.107.

483.108 Curtailment of purchase.

Sec. 8. Whenever the full production from any common source or field of supply of natural gas in this state is in excess of the market demands, then any common purchaser of such natural gas as herein defined receiving production or output from such source or field shall take therefrom only such proportion of the available supply as may be marketed and utilized without waste, as the natural flow of the well or wells owned or controlled by such common purchaser bears to the total natural flow or production of such common source or field, having due regard to the acreage drained by each well, so as to prevent any common purchaser from securing an unfair proportion therefrom; and it shall be the duty of the commission and it is hereby empowered to regulate and enforce the above provision, provided that the commission may by proper order permit the taking of a greater proportion by any common purchaser whenever or wherever it shall determine a taking of such greater proportion reasonable and equitable or conducive to public convenience or necessity.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11639;—CL 1948, 483.108.

483.109 Map or plat of proposed line; filing with public utilities commission, approval; existing carriers.

Sec. 9. Any corporation, association or person within the terms of this act desiring to construct

transmission mains for the transportation or conveying of natural gas from its source to the locality or localities where utilized, shall submit to the commission, accompanied by due application, a map or plat of such proposed line or lines which it desires to construct, showing the dimensions and character of such proposed pipe line or lines, its compression stations, control valves, and connections, and shall first receive the approval of the commission of such map, route and type of construction before proceeding with the actual construction of such transmission lines, and it shall be the duty of the commission to examine and inquire into the necessity and practicability of such transmission line or lines and to determine that such line or lines will when constructed and in operation serve the convenience and necessities of the public before approval of such map and proposed transmission line or lines: Provided, That persons, associations or corporations having already acquired the rights of common purchasers and common carriers at the time the provisions of this act became effective shall be required to file the map or plat provided for in this section only.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11640;—CL 1948, 483.109.

483.110 Filing schedule of rates or charges; filing copies of contracts; alterations or amendments; application; approval; appeal.

Sec. 10. A common purchaser or common carrier of natural gas, before receiving the gas for transmission or delivery, shall file with the commission a schedule of the rates and price at which the common purchaser or common carrier will receive gas at delivery stations from a well, field, or source of supply, as well as the rates or charges at which the common purchaser or common carrier will deliver gas to connecting carriers or distributing lines or customers, and, if the common purchaser or common carrier is operating as a carrier for hire, the rates and charges which the common purchaser or common carrier will charge for the service to be performed by it. A common purchaser or common carrier operating as a carrier for hire also shall file a copy of each contract for purchasing, receiving, or supplying gas. The price to be paid and the rates and charges shall be stated and set up in the manner and form required by the commission and outlined in the rules of the commission for filing of rates of artificial gas utilities or pursuant to rules and conditions of service adopted by the commission, which the commission may make for the regulation of common purchasers and common carriers of natural gas. Thereafter, a common purchaser or common carrier of natural gas may alter or amend its price paid, rates, charges, and conditions of service by application to and approval by the commission in the same manner and by the same process and under the same legal limitations and like right as are now provided by statute for the regulation by the commission of the rates for electricity transmitted in this state and process of appeal provided in section 26 of Act No. 300 of the Public Acts of 1909, being section 462.26 of the Michigan Compiled Laws.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11641;—CL 1948, 483.110;—Am. 1987, Act 6, Eff. Apr. 1, 1987.

Compiler's note: Section 2 of Act No. 498 of the Public Acts of 1982, which act amended this section, provided that this "amendatory act shall not take effect unless House Bill No. 5719 (request no. 02467 81) of the 81st Legislature is enacted into law." House Bill No. 5719 was not enacted into law during the 1982 Regular Session.

Administrative rules: R 460.201 et seq. of the Michigan Administrative Code.

483.111 Sale and purchase contract; filing.

Sec. 11. Every common purchaser or common carrier of natural gas shall file with the commission a true and verified copy of the contract for the sale and purchase of gas entered into between the producer or producers and such common purchaser or common carrier, within 30 days after the making thereof.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11642;—CL 1948, 483.111.

483.112 Annual statement; contents.

Sec. 12. Every common purchaser and common carrier of natural gas is hereby required to file with the commission on or before April first of each year, upon blanks to be prescribed and furnished by the commission, an annual statement of its income, expenses, operating and corporate accounts for the preceding calendar year, including the state of its finances in capital securities, fixed capital and other related corporate or balance sheet accounts and including also statistical data relating to the production, purchase, transmission and sales of gas by such common purchasers and common carriers of natural gas, its equipment facilities and customers, said statement to be verified by the oath of some officer of the utility knowing the facts stated therein.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11643;—CL 1948, 483.112.

483.113 Accounts and records.

Sec. 13. The commission shall have the power and authority and it is hereby made its duty to prescribe the manner and the form or system of accounts, financial records and operating memoranda or data to be set up

and kept by all common purchasers and common carriers of natural gas and every common purchaser and common carrier of natural gas existing and operating within this state is hereby required to set up and keep its books of accounts, records and memoranda in the manner and form prescribed by the commission.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11644;—CL 1948, 483.113.

483.114 Prevention of waste; rules of public utilities commission.

Sec. 14. The commission shall have authority to prevent the waste of natural gas in producing operations and in the piping and distribution thereof and to make rules and regulations for that purpose. It is hereby authorized and empowered to do all things necessary for the conservation of natural gas in connection with the production, piping and distribution thereof and to establish such other rules and regulations as will be necessary to carry into effect this act, to conserve the natural gas resources of the state and to preserve the public peace, safety, and convenience in relation thereto.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11645;—CL 1948, 483.114.

483.115 Penalties; civil liability.

Sec. 15. Any corporation, association or person, violating any provision of this act or any order or regulation of the commission made pursuant thereto, shall be deemed guilty of an unlawful act and shall be liable to a penalty of not less than 100 dollars, nor more than 20,000 dollars. Any officer, agent, representative, employee or servant of any corporation or association or any person who causes, aids or assists, or participates in any such unlawful act shall be deemed guilty of a misdemeanor, and on conviction thereof shall be liable to a fine of not less than 100 dollars, nor more than 1,000 dollars, or to imprisonment in the county jail not less than 30 days, nor more than 1 year, or to both such fine and imprisonment in the discretion of the court. Said penalty shall be exclusive of civil liability.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11646;—CL 1948, 483.115.

483.116 Assistants; employment by commission.

Sec. 16. The commission is hereby authorized and empowered to employ such clerks, inspectors, and experts as may be necessary to carry out and administer the provisions of this act.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11647;—CL 1948, 483.116.

483.117 Municipal corporations excepted.

Sec. 17. Nothing in this act contained shall be construed to vest the commission with regulatory control and authority over any natural gas utility owned and operated by a municipal corporation nor to in any way infringe upon the authority of the duly constituted official bodies having charge of such municipally owned utilities.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11648;—CL 1948, 483.117.

483.120 Immediate effect.

Sec. 20. An emergency is hereby declared, by reason whereof it is necessary for the immediate preservation of the public peace, safety, convenience and welfare that this act take immediate effect.

History: 1929, Act 9, Imd. Eff. Mar. 19, 1929;—CL 1929, 11651;—CL 1948, 483.120.

GAS SAFETY STANDARDS

Act 165 of 1969

AN ACT to authorize the public service commission to establish and enforce gas safety standards; and to provide penalties for violations thereof.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

The People of the State of Michigan enact:

483.151 Definitions.

Sec. 1. As used in this act:

- (a) "Commission" means the public service commission.
- (b) "Gas" means natural gas, flammable gas, or gas that is toxic or corrosive.
- (c) "Person" means an individual, firm, joint venture, partnership, corporation, association, municipality, cooperative association, or joint stock association, and includes a trustee, receiver, assignee, or personal representative of such an entity.
- (d) "Pipeline facilities" includes, but is not limited to, new and existing pipeline rights-of-way, and any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation.
- (e) "Transportation of gas" means the gathering, transmission, or distribution of gas by pipeline or the storage of gas. Transportation of gas does not include the gathering of gas in rural locations that lie outside the limits of an incorporated or unincorporated city, town, village, or other designated residential or commercial area such as a subdivision, business or shopping center, community development, or similar populated area that the commission may define as a nonrural area. Transportation of gas includes gathering lines located in or occupying the property of schools, hospitals, churches, parks, or similar public places.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969;—Am. 1992, Act 11, Imd. Eff. Mar. 10, 1992.

483.152 Rules and standards; criteria; waiver.

Sec. 2. (1) The commission shall promulgate rules and prescribe safety standards for pipeline facilities and the transportation of gas in accordance with the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. In prescribing safety standards, the commission shall consider:

- (a) Relevant available pipeline safety data.
 - (b) Whether the standards are appropriate for the particular type of pipeline transportation.
 - (c) The extent to which the standards will contribute to public safety.
- (2) If a person engaged in the transportation of gas or the operation of pipeline facilities applies, the commission, after notice and opportunity for a hearing and under the terms and conditions and to the extent the commission considers appropriate, may waive, in whole or in part, compliance with any standard established under this act, if the waiver is not inconsistent with gas pipeline safety. At the time of issuing the waiver, the commission shall state the reasons for its issuance.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969;—Am. 1992, Act 11, Imd. Eff. Mar. 10, 1992.

Administrative rules: R 460.2301 et seq.; R 460.20101 et seq.; and R 460.20201 et seq. of the Michigan Administrative Code.

483.153 Gas transporters, pipe line owners and operators; duties.

Sec. 3. Any person who engages in the transportation of gas or who owns or operates a pipeline facility shall:

- (a) Comply with the requirements of any standard prescribed by the commission.
- (b) File and comply with a plan of inspection and maintenance as required by section 4.
- (c) Permit access to and copying of records, make reports and provide information and permit entry and inspection as required by sections 5 and 6.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.154 Inspection and maintenance plan; filing, changes, determination of adequacy.

Sec. 4. Any person who engages in the transportation of gas or who owns or operates pipeline facilities shall file with the commission a plan for inspection and maintenance of each pipeline facility owned or operated by the person and any changes in the plan, in accordance with rules prescribed by the commission. If at any time the commission finds that the plan is inadequate to achieve pipeline safety, after notice and opportunity for a hearing, it shall require the plan to be revised. In determining the adequacy of any plan the

commission shall consider:

- (a) Relevant available pipeline safety data.
- (b) Whether the plan is appropriate for the particular type of pipeline transportation.
- (c) The extent to which such plan will contribute to the public safety.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.155 Records and reports; inspection.

Sec. 5. Any person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports and provide such information as the commission may reasonably require to enable it to determine whether the person has acted or is acting in compliance with the standards established pursuant to this act. Upon the request of an officer, employee or agent of the commission, the person shall permit the commission or person authorized by it to inspect his books, papers, records and other relevant documents to determine whether the person has acted or is acting in compliance with the standards established pursuant to this act.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.156 Inspection and investigation; reports of noncompliance; right of entry.

Sec. 6. The commission may conduct such inspection and investigation as may be necessary to aid in the enforcement of the provisions of this act and the standards established pursuant to this act. The commission shall furnish the attorney general any information obtained indicating noncompliance with the standards for appropriate action. For purposes of the enforcement of this act, officers, employees or agents authorized by the commission, upon presenting appropriate credentials to the person in charge of the pipeline facilities, may enter and inspect pipeline facilities at reasonable times and in a reasonable manner and with reasonable promptness.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.157 Accident reports; use in judicial proceedings; testimony; public inspection.

Sec. 7. Accident reports made by any officer, employee or agent of the commission shall be available for use in any civil, criminal or other judicial proceeding arising out of the accident. Any officer, employee or agent may be required to testify in the proceedings. Any report shall be made available to the public in a manner which does not identify individuals. All reports on research projects, demonstration projects and other related activities shall be public information.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.158 Trade secrets, confidentiality; disclosure to legislative committee.

Sec. 8. All information reported to or otherwise obtained by the commission or its representative pursuant to sections 5, 6 or 7, which information contains or relates to a trade secret referred to in section 1905 of title 18 of the United States code, shall be considered confidential for the purpose of that section, except that the information may be disclosed to other officers or employees concerned with carrying out this act or when relevant in any proceeding under this act. Nothing in this section shall authorize the withholding of information by the commission or any officer, employee or agent under its control, from the duly authorized committees of the legislature.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.159 Research, testing, development and training; cooperation with state and federal agencies.

Sec. 9. (1) The commission may conduct research, testing, development and training necessary to carry out the provisions of this act.

(2) Upon request, the commission shall furnish to the federal department of transportation any information it has concerning the safety of any materials, operations, devices or processes relating to the transportation of gas or the operation of pipeline facilities.

(3) The commission is authorized to advise, assist and cooperate with other state departments and agencies and other interested public and private agencies and persons, in the planning and development of safety standards, and methods for inspecting and testing to determine compliance with safety standards.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

483.160 Exemptions; applicability of act.

Sec. 10. (1) This act does not apply to a pipeline facility or the transportation of gas subject to the jurisdiction of the federal energy regulatory commission under the natural gas act, chapter 556, 52 Stat. 821,

15 U.S.C. 717 to 717w.

(2) This act applies to a person engaged in interstate commerce other than a person subject to the jurisdiction of the federal energy regulatory commission.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969;—Am. 1992, Act 11, Imd. Eff. Mar. 10, 1992.

483.161 Penalties.

Sec. 11. (1) A person that violates this act or a rule promulgated under this act is subject to an administrative fine of not more than \$200,000.00 for each violation for each day that the violation persists, except that the maximum administrative fine shall not exceed \$2,500,000.00 for any related series of violations.

(2) No sooner than September 1, 2024, and by October 1 of each year thereafter, the commission shall issue an order adjusting the administrative fines under subsection (1) for inflation using the Consumer Price Index.

(3) In determining the amount of the administrative fine under subsection (1), the commission shall consider all of the following:

- (a) The effect on the ability of the person to continue in business.
- (b) The nature, circumstances, and gravity of the violation.
- (c) Any good-faith effort by the person to comply with the requirements of this act.
- (d) The degree of culpability of the person.
- (e) The history of prior violations of the person.
- (f) The ability of the person to pay.
- (g) Other matters as justice may require.

(4) The amount of the penalty stipulated may be deducted from a sum the state owes the person or may be recovered in a civil action in the Ingham County circuit court.

(5) A person who willfully and knowingly defaces, damages, removes, or destroys a pipeline sign or right-of-way marker required by this act is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or by a fine of not more than \$5,000.00, or both, for each offense.

(6) An administrative fine issued under this section must be deposited in the general fund. For each calendar year, any amount of the administrative fines deposited in the general fund that exceeds \$200,000.00 must be credited to the commission to be used for underground facilities safety education and training, consistent with section 12(7) of the MISS DIG underground facility damage prevention and safety act, 2013 PA 174, MCL 460.732.

(7) As used in this section, "Consumer Price Index" means the most comprehensive index of consumer prices available for the Detroit area from the United States Department of Labor, Bureau of Labor Statistics.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969;—Am. 1992, Act 11, Imd. Eff. Mar. 10, 1992;—Am. 2024, Act 131, Imd. Eff. Oct. 8, 2024.

Administrative rules: R 460.2301 et seq. of the Michigan Administrative Code.

483.162 Injunctive relief; jurisdiction; notice; opportunity to comply.

Sec. 12. The Ingham county circuit court has jurisdiction to restrain violations of this act, including the restraint of transportation of gas or the operation of a pipeline facility, and to enforce standards established under this act upon petition by the attorney general. Whenever practical, the commission shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to be heard, and, except in the case of a knowing and wilful violation, shall afford him a reasonable opportunity to achieve compliance. The failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

History: 1969, Act 165, Imd. Eff. Aug. 5, 1969.

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483.201-483.228 Repealed. 2002, Act 428, Imd. Eff. June 5, 2002.