

House File 639 - Enrolled

House File 639

AN ACT

RELATING TO HAZARDOUS LIQUID PIPELINES, INCLUDING COMMON CARRIER REQUIREMENTS, PROCEEDINGS UNDER THE IOWA UTILITIES COMMISSION, INCLUDING COMMISSION MEMBER ATTENDANCE AT HEARINGS AND INFORMATIONAL MEETINGS, INCLUDING ALLOWING CERTAIN PERSONS TO INTERVENE IN SUCH PROCEEDINGS, INCLUDING SANCTIONS ON INTERVENORS IN CONTESTED CASES, AND PERMIT, PERMIT RENEWAL, AND OPERATION LIMITATIONS, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

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

Section 1. Section 6A.21, subsection 1, Code 2025, is amended to read as follows:

1. Except as otherwise provided, for purposes of this chapter and [chapter 6B](#):

a. "Aboveground merchant line" means "merchant line" as defined in [section 478.6A, subsection 1](#), excluding those merchant lines that are underground.

b. "Agricultural land" means real property owned by a person in tracts of ten acres or more and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, and that has been used for the production of agricultural commodities during three out of the past five years. Such use of property includes, but is not limited to, the raising, harvesting, handling, drying, or storage of crops used for feed, food, seed, or fiber; the care or feeding of livestock; the handling or transportation

of crops or livestock; the storage, treatment, or disposal of livestock manure; and the application of fertilizers, soil conditioners, pesticides, and herbicides on crops. Agricultural land includes land on which is located farm residences or outbuildings used for agricultural purposes and land on which is located facilities, structures, or equipment for agricultural purposes. Agricultural land includes land taken out of agricultural production for purposes of environmental protection or preservation.

c. "Commodity" means a product that is used by an individual consumer or is used to produce a product used by an individual consumer.

d. "Common carrier" means a commercial enterprise that holds itself out as ready to engage in the transportation of goods or passengers for hire, as a public employment, and not as a casual occupation, and that undertakes to carry for all persons indifferently, within the limits of the enterprise's capacity and the sphere of business required of it. For a carrier engaged in the transportation of a hazardous liquid to qualify as a common carrier, the carrier must establish by clear and convincing evidence that it will transport a commodity for one or more shippers not affiliated with the carrier who will either retain ownership of the commodity or sell the commodity to a party other than the carrier. A common carrier determination by the federal energy regulatory commission shall be controlling for purposes of this paragraph.

e. e. "Private development purposes" means the construction of, or improvement related to, recreational trails, recreational development paid for primarily with private funds, aboveground merchant lines, housing and residential development, or commercial or industrial enterprise development.

d. f. "Public use" or "public purpose" or "public improvement" does not include the authority to condemn agricultural land for private development purposes unless the owner of the agricultural land consents to the condemnation.

Sec. 2. Section 6A.24, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding subsection 3, an

acquiring agency proposing to acquire property by eminent domain pursuant to a grant under chapter 479B shall have the burden of establishing by clear and convincing evidence that the proposed use meets the definition of a public use, public purpose, or public improvement.

Sec. 3. Section 476.33, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 5. For hearings initiated under this chapter, all members of the commission shall be present during any live testimony. If at any point during live testimony at a hearing not all members are available for any reason, the meeting shall pause until all members of the commission return.

Sec. 4. Section 478.2, subsection 2, paragraph a, Code 2025, is amended to read as follows:

a. A member of the commission, the counsel of the commission, or a presiding officer designated by the commission shall serve as the presiding officer at each meeting, shall present an agenda for such meeting, which shall include a summary of the legal rights of the affected landowners, and shall distribute and review the statement of individual rights required under [section 6B.2A, subsection 1](#). At least one member of the commission shall attend each informational meeting. If at any point during the meeting no member of the commission is available for any reason, the meeting shall pause until at least one member of the commission returns. A formal record of the meeting shall not be required.

Sec. 5. NEW SECTION. **478.34 Hearing — commission member attendance.**

All hearings initiated under this chapter shall follow the attendance rules governing commission members as provided in section 476.33, subsection 5.

Sec. 6. Section 479.5, subsection 3, paragraph a, Code 2025, is amended to read as follows:

a. A pipeline company shall hold informational meetings in each county in which real property or property rights will be affected at least thirty days prior to filing the petition for a new pipeline. A member of the commission or a person designated by the commission shall serve as the presiding officer at each meeting, shall present an agenda for the

meeting, which shall include a summary of the legal rights of the affected landowners, and shall distribute and review the statement of individual rights required under section 6B.2A. At least one member of the commission shall attend each informational meeting. If at any point during the meeting no member of the commission is available for any reason, the meeting shall pause until at least one member of the commission returns. A formal record of the meeting shall not be required.

Sec. 7. NEW SECTION. 479.50 **Hearing — commission member attendance.**

All hearings initiated under this chapter shall follow the attendance rules governing commission members as provided in section 476.33, subsection 5.

Sec. 8. Section 479B.4, subsection 3, Code 2025, is amended to read as follows:

3. The pipeline company shall hold informational meetings in each county in which real property or property rights will be affected at least thirty days prior to filing the petition for a new pipeline. A member of the commission, or a person designated by the commission, shall serve as the presiding officer at each meeting and present an agenda for the meeting, which shall include a summary of the legal rights of the affected landowners. At least one member of the commission shall attend each informational meeting. If at any point during the meeting no member of the commission is available for any reason, the meeting shall pause until at least one member of the commission returns. No formal record of the meeting shall be required. The meeting shall be held at a location reasonably accessible to all persons who may be affected by granting the permit.

Sec. 9. Section 476.33, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The following persons are entitled as of right to intervene in any proceeding conducted by the commission:

- a. A member of the general assembly.
- b. An elected county or city official.
- c. Any resident with a minimally plausible interest in the proceeding.

Sec. 10. Section 474.3, Code 2025, is amended to read as follows:

474.3 Proceedings.

1. The utilities commission may in all cases conduct its proceedings, when not otherwise prescribed by law, in such manner as will best conduce to the proper dispatch of business and the attainment of justice.

2. The utilities commission shall not threaten or impose sanctions against any intervenor unless the utilities commission determines the intervenor engaged in conduct that satisfies all the following conditions:

a. The intervenor was knowingly dishonest or in violation of a criminal statute.

b. The intervenor caused actual injury to the utilities commission, which injury is quantifiable and exceeds five hundred dollars.

Sec. 11. NEW SECTION. **479B.13A Insurance requirements for permittee.**

1. In addition to the requirements of section 479B.13, before a permit is granted under this chapter, the applicant shall provide to the commission evidence of an appropriate surety or insurance policy to ensure the payment of all damages resulting from the construction and operation of the hazardous liquid pipeline. The surety or insurance policy must be sufficient to indemnify fully all of the following:

a. Any loss arising from or related to any negligent or intentional discharge of content from the pipeline.

b. Any injury, including diminution of value of real property, to affected properties due to the construction of the pipeline or the accidental or intentional discharge of content.

c. The inability for a person to obtain insurance, or the increased costs for a person to obtain or renew insurance, due to the presence or construction of the pipeline.

2. If any person is unable to obtain insurance, or experiences increased costs to obtain or renew insurance, as a result of the presence or construction of the pipeline, the pipeline owner shall either purchase insurance on behalf of the person or reimburse the person for the person's increased premium costs.

Sec. 12. Section 479B.16, subsection 1, Code 2025, is amended to read as follows:

1. A pipeline company granted a pipeline permit shall, subject to subsection 4, be vested with the right of eminent domain, to the extent necessary and as prescribed and approved by the commission, not exceeding seventy-five feet in width for right-of-way and not exceeding one acre in any one location in addition to right-of-way for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline. The commission may grant additional eminent domain rights ~~where~~ when the pipeline company has presented sufficient evidence to adequately demonstrate that a greater area is required for the proper construction, operation, and maintenance of the pipeline or for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline.

Sec. 13. Section 479B.16, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A pipeline company granted a pipeline permit shall not be vested with the right of eminent domain unless the pipeline company is a common carrier, as defined in section 6A.21.

Sec. 14. NEW SECTION. **479B.34 Hearing — commission member attendance.**

All hearings initiated under this chapter shall follow the attendance rules governing commission members as provided in section 476.33, subsection 5.

Sec. 15. Section 479B.14, subsection 2, Code 2025, is amended to read as follows:

2. The commission shall not grant an exclusive right to any pipeline company to construct, maintain, or operate its pipeline along, over, or across any public or private highway, grounds, waters, or streams. The commission shall not grant a permit for longer than twenty-five years. The commission shall not renew a permit granted to a pipeline that transports liquefied carbon dioxide and no pipeline that transports liquefied carbon dioxide shall be permitted to operate for longer than twenty-five years.

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

Sec. 17. APPLICABILITY. This Act applies to condemnation proceedings for which the application filed under section 6B.3 is filed on or after the effective date of this Act.

PAT GRASSLEY
Speaker of the House

AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 639, Ninety-first General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2025

KIM REYNOLDS
Governor