

HOUSE BILL NO. 1407

Introduced by

Representatives J. Kelsh, Amerman

Senators Dotzenrod, Wardner

1 A BILL for an Act to create and enact a new section to chapter 49-22 of the North Dakota
2 Century Code, relating to consumer protection provisions in pipeline easements.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 49-22 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Consumer protections for pipeline easements.**

7 1. In an easement or easement option for real property on which a gas or liquid
8 transmission line or associated facilities are to be located, the easement or easement
9 option:

10 a. Must be delivered to the property owner with a cover page containing the
11 following paragraph with the correct term of years in the blank and in at least
12 sixteen-point type:

13 Special message to property owners.

14 This is an important agreement our lawyers have drafted that will bind
15 you and your land for up to ____ years. We will give you enough time to
16 study and thoroughly understand it. We strongly encourage you to hire
17 a lawyer to explain this agreement to you. You may talk with your
18 neighbors about the pipeline and find out if they also received a
19 proposed contract. You and your neighbors may choose to hire the same
20 attorney to review the agreement and negotiate changes on your behalf.

21 b. Must contain or be accompanied by information on eminent domain and
22 landowner rights, the content of which must be provided by the attorney general.

23 c. Must be delivered to the landowner at least ninety days before any public hearing
24 under section 49-22-13.

- 1 d. Must contain or be accompanied by information on the siting process if the
2 content of the information is provided by the commission, and must contain the
3 mailing address, telephone number, and web address for the commission and
4 notice that a public hearing will be held on the corridor and route of the pipeline.
5 e. May not be executed by the parties until at least ten business days after the first
6 proposed easement or easement option has been delivered to the property
7 owner.
8 f. May not require either party to maintain the confidentiality of any negotiations or
9 the terms of any proposed easement or easement option except that the parties
10 may agree to a mutual confidentiality agreement in the final executed easement
11 or easement option.
12 g. Must include or be accompanied by the language in subsection 2.
13 2. At the request of a landowner or the applicant for a certificate or permit for a gas or
14 liquid transmission line or associated facilities, each party shall submit to mediation by
15 the North Dakota mediation service. As a condition for an applicant to exercise
16 eminent domain over the landowner, thirty days after the North Dakota mediation
17 service has provided an mediation report, the applicant must request an informal
18 hearing before the commission and be found by the commission, by majority decision,
19 to have negotiated in good faith. If the applicant is found not to have negotiated in
20 good faith, the commission shall request the applicant to submit to mediation by the
21 North Dakota mediation service for a period of time no less than sixty days and that
22 period of time is the same period of time before which the applicant may request
23 another informal hearing on whether the applicant negotiated in good faith.
24 3. If the terms of the easement or easement option are not in accordance with this
25 section or if the commission determines, by majority vote, that applicant has engaged
26 in harassment, threats, intimidation, misrepresentation, deception, fraud, or unfair
27 tactics, is acquiring or attempting to acquire an easement or easement option, the
28 commission shall inform the attorney general and the attorney general shall
29 investigate. The attorney general may bring an action for a landowner under section
30 49-22-16.