

## **BILL ANALYSIS**

Senate Research Center

S.B. 2433  
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Natural Resources  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, municipalities have the ability to protect their city streets from the potentially harmful placement of pipelines, but statute is not clear regarding a municipality's ability to object to a pipeline's placement on real property owned by the municipalities before an operator files a petition for condemnation. As a result, municipalities' comprehensive plans might be jeopardized by a particular route of a pipeline.

This legislation seeks to provide a formal negotiation procedure between municipalities and pipeline operators who want to acquire an easement for a public use on real property owned by the municipalities.

This bill requires a pipeline operator to notify a municipality of the proposed placement of a pipeline, and allows the municipality 60 days to consider the placement of the pipeline before the operator files for a condemnation petition.

During the 60-day period, a municipality may consent to the operator's proposed route of a pipeline, suggest a feasible alternative for placement of the pipeline based on the municipality's consideration of its comprehensive plan, corridor development and planning of the area, transit development and planning for the area, and economic development and planning for the area. The municipality's proposal for alternative placement of the pipeline must not unreasonably prevent a pipeline operator from accomplishing the purpose for which the operator seeks to acquire the property. If the municipality and the operator cannot agree on the proposed placement of the pipeline the operator may file a petition for condemnation. During this process, the court hearing the petition may move to determine whether the proposed placement by the municipality is more reasonable than the placement proposed by the operator.

As proposed, S.B. 2433 relates to condemnation of municipal property for and municipal regulation of pipeline operations.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 2206, Government Code, by adding Section 2206.003, as follows:

Sec. 2206.003. FORMAL NEGOTIATION PROCEDURES REQUIRED IN CERTAIN CIRCUMSTANCES. (a) Requires a pipeline operator with eminent domain authority that wants to acquire an easement for a public use on real property owned by a municipality to provide notice to the municipality of the proposed placement of the pipeline and allow time for the municipality to take action under Subsection (b) before filing a condemnation petition under Chapter 21 (Eminent Domain), Property Code.

(b) Requires the municipality, not later than the 60th day after the date the pipeline operator notifies the municipality under Subsection (a), to consent to the pipeline placement or suggest a feasible alternative placement for the pipeline based on the municipality's consideration of the municipality's comprehensive

plan, corridor development and planning for the area, transit development and planning for the area, and economic development and planning for the area.

(c) Prohibits a municipality's proposal under Subsection (b)(2) (relating to requiring a municipality to suggest a feasible alternative placement for the pipeline based on the municipality's consideration of certain development and planning) from unreasonably preventing a pipeline operator from accomplishing the purpose for which the pipeline operator seeks to acquire the property.

(d) Authorizes the pipeline operator, if a pipeline operator and a municipality are unable to agree on the placement of a pipeline on real property owned by the municipality, to file a condemnation petition under Chapter 21, Property Code. Authorizes a municipality that has proposed an alternative placement for the pipeline under Subsection (b) to move that the court determine whether that proposed placement is more reasonable than the placement proposed by the pipeline operator. Requires the court, if the court determines the municipality's proposal is more reasonable than the pipeline operator's proposal, to condition the pipeline operator's acquisition of the property interest on the implementation of the municipality's proposed placement.

SECTION 2. Amends Chapter 229, Local Government Code, by adding Section 229.003, as follows:

Sec. 229.003. REGULATION OF CERTAIN PIPELINE ACTIVITIES. Authorizes a municipality by ordinance, to regulate the placement, inspections, construction materials, and maintenance of gas pipelines used as gathering line, pumps, compressors, separators, dehydration units, and tank batteries within the municipality's corporate boundaries.

SECTION 3. Effective date: September 1, 2009.