

Regular Session, 2014

HOUSE BILL NO. 657

BY REPRESENTATIVE MONTOUCET

PROPERTY/EXPROPRIATION: Provides relative to property expropriated for the purpose of placing pipelines

1 AN ACT

2 To amend and reenact R.S. 19:2.2(A)(2) and to enact R.S. 19:9.1, relative to expropriation;
3 to provide for applicability to certain expropriation authorities; to provide limitations
4 on the use of expropriated property; to provide for full compensation of the
5 landowner; to provide for prescription and abandonment; to define "pipeline
6 corridor"; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 19:2.2(A)(2) is hereby amended and reenacted and R.S. 19:9.1 is
9 hereby enacted to read as follows:

10 §2.2. Expropriation by expropriating authorities referred to in R.S. 19:2

11 A. Before exercising the rights of expropriation provided by R.S. 19:2, any
12 expropriating authority referred to in R.S. 19:2 shall comply with the following:

13 * * *

14 (2) Offer to compensate the owner a specific amount not less than the ~~lowest~~
15 highest appraisal or evaluation.

16 * * *

17 §9.1. Measure of compensation; "extent of loss"; pipeline corridors

18 A.(1) The provisions of this Section shall apply to an expropriating authority
19 which qualifies as a common carrier as defined by R.S. 45:251 and which is

1 authorized to expropriate pursuant to R.S. 19:2 for the purpose of placing or utilizing
2 underground, surface, or overhead pipelines.

3 (2)(a) The use of property expropriated by an expropriating authority shall
4 be limited to the use and maintenance of the pipeline or pipelines specifically
5 designated in the judgment granting the expropriation and shall also specify whether
6 the pipeline will be placed above or below ground, or both.

7 (b) The expropriating authority which is granted the right to construct and
8 use the pipeline by the judgment of expropriation shall not have the authority to
9 construct any additional pipelines or allow access or the construction of additional
10 pipelines by any other expropriating authority without the consent of the landowner
11 or approval of the court. The landowner shall be entitled to additional compensation
12 pursuant to this Section for the addition of any pipelines not specifically authorized
13 by the judgment of expropriation.

14 B.(1) In compensating the landowner to the full extent of his loss for the
15 expropriation of the property, the court shall consider not only the loss sustained by
16 the landowner from the restricted use of the surface but also the market value of the
17 property interest taken as a pipeline corridor. In determining the compensation for
18 such an expropriation, the court shall consider prices paid for similar servitudes and
19 shall consider crop cycles relative to the farming operation.

20 (2)(a) In addition to any damages awarded pursuant to Paragraph (1) of this
21 Subsection, the landowner shall be entitled to annual payments for the continued
22 interruption of the use of the property taken until the use of the pipeline ceases.
23 Upon the transfer of the property by sale, donation, or otherwise, such annual
24 payments shall be made to the successor in title to the property.

25 (b) The annual payments awarded pursuant to this Paragraph shall be
26 increased every five years by an amount equal to the average annual increase in the
27 Consumer Price Index for All Urban Consumers (CPI-U) for the preceding calendar
28 year.

1 C.(1) The property expropriated shall be subject to prescription of nonuse
2 if the use of the pipeline for the purpose for which the property was expropriated
3 ceases for five consecutive years or if the annual payments cease for a period of three
4 consecutive years. Upon the running of the applicable prescriptive period, the
5 pipeline shall be deemed abandoned, and full ownership shall revert to the property
6 owner or his heirs or assigns.

7 (2) The original expropriating authority and any subsequent owner of the
8 pipeline shall be liable for the removal of the abandoned pipeline and for returning
9 the property to its original condition as it existed prior to the expropriation.

10 D. For the purposes of this Section, "pipeline corridor" means property that
11 is burdened or adjacent to property burdened by a proposed or existing servitude
12 granted for the specific purpose of placing or utilizing underground, surface, or
13 overhead pipelines, so situated that the highest and best use of the property burdened
14 by the servitude and adjacent property is for transmission of petroleum as defined by
15 R.S. 45:251.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Montoucet

HB No.

Abstract: Provides limitations on the use of property expropriated for pipelines and requires courts to consider the value of property used as a pipeline corridor when deciding the amount of full compensation to landowners when the property is expropriated for the specific purpose of placing pipelines.

Present law provides that before exercising the rights of expropriation provided by R.S. 19:2, any expropriating authority referred to in R.S. 19:2 shall offer to compensate the owner a specific amount not less than the lowest appraisal or evaluation.

Proposed law provides that the expropriating authority shall offer the highest appraisal or evaluation.

Proposed law applies to an expropriating authority which qualifies as a common carrier and which is authorized to expropriate for the purpose of placing or utilizing underground, surface, or overhead pipelines.

Proposed law limits the use of property expropriated by an expropriating authority to the use and maintenance of the pipeline or pipelines specifically designated in the judgment granting the expropriation.

Proposed law prohibits the expropriating authority from constructing any additional pipelines or allowing the construction of additional pipelines by any other expropriating authority without the consent of the landowner or approval of the court, and provides that the landowner shall be entitled to additional compensation for the addition of any pipelines.

Proposed law provides that in compensating the landowner to the full extent of his loss for the expropriation of the property, the court shall consider not only the loss sustained by the landowner from the restricted use of the surface but also the market value of the property interest taken as a pipeline corridor.

Proposed law provides that the landowner is entitled to additional annual payments for the continued interruption of the use of the property taken until the use of the pipeline ceases, and that such payments shall continue to a successor in title to the property.

Proposed law provides for an adjustment of the annual payments every five years by an amount equal to the average annual increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the preceding calendar year.

Proposed law provides that the expropriated property is subject to prescription of nonuse if the use of the pipeline ceases for five consecutive years or if the annual payments cease for three consecutive years, and that upon the running of the applicable prescriptive period, the pipeline shall be deemed abandoned and full ownership shall revert to the owner or his heirs or assigns.

Proposed law provides that the original expropriating authority and any subsequent owner of the pipeline shall be liable for the removal of the abandoned pipeline and for returning the property to its original condition as it existed prior to the expropriation.

Proposed law defines "pipeline corridor".

(Amends R.S. 19:2.2(A)(2); Adds R.S. 19:9.1)