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Every Friday, this newsletter will keep you up to speed on some of the legislation important to Texas Farm Bureau members that Austin staff are following.

Please do not hesitate to contact the appropriate staff with any questions.

Eminent Domain Update

<u>SB 421</u>, by **Sen. Louis Kolkhorst (R- Brenham)**, was heard in the Senate State Affairs Committee on Monday, March 4. Chairman Huffman has given the committee and stakeholders a week to negotiate and plans to hold a vote on SB 421 next week.

The hearing was well attended by landowners who have been impacted by private entities with eminent domain. In all, 31 landowners testified.

The following Texas Farm Bureau leaders traveled to Austin and testified for the bill:

Scott Frazier, Texas Farm Bureau Secretary-Treasurer from Chapman Ranch, testified on the behalf of Texas Farm Bureau. He stated that TFB understands the need for eminent domain. However, it is necessary for this to be a fair process that provides adequate compensation. Frazier described the three components of the bill and touched on each. There is a need for standard easement terms, because these terms are often held as leverage over landowners during negations. There is also a need for better information. It is simply common sense to hold meetings in order to inform landowners about upcoming pipelines. This gives the landowners more confidence in the entity condemning their land. Currently, the process is too vague and leaves landowners in the dark. Frazier explained the section relating to the disincentive for condemning entities to provide a lowball offer to landowners. This a problem and often allows bad actors to take advantage of landowners.

Neil Walter, former District 8 TFB State Director and Coryell CFB board member from Oglesby, provided a personal story concerning a pipeline that was put in through his land. In 2013, a pipeline company approached him and provided his first easement terms. This easement gave him no landowner protections. Upon talking to his land agent, he learned his agent was approved to add the provisions Walter requested regarding his land. Walter asked why he wouldn't just include these in the beginning, and the land agent revealed that they often try to take advantage of landowners through this process by offering no landowner protections unless they are asked for. Walter concluded by asking for landowners to be treated fairly and respectfully. He understands the need for eminent domain but wants truth in lending laws that provided standard easements that offer protections.

Jimmy Jo Sisak, Comal CFB board member from New Braunfels, explained his experience with a pipeline company. One day, he received a packet in the mail with a letter and contract. The letter was intimidating and stated a company would be running their pipeline through his land, and if he didn't agree, it would lead to condemnation. Their first offer was \$12-per-foot. Upon talking to his lawyer and neighbors, he learned the current prices were actually around \$65-\$70-per-foot. Sisak worries the elderly and uninformed will be taken advantage of by accepting the first low-ball offer.

Colin Chopelas, San Patricio CFB vice president from Corpus Christi, farms near the termination point for much of the oil and gas production that is transported to his area. He shared that farming has changed a lot in his region. His family leases a lot of farm land. His landlords are removed from the farm and don't understand what that land means, but they do know they want to protect their land. Chopelas takes it upon himself to help these landlords to negotiate easements. Often, the first offer they receive in the mail is not even close to being fair, because so many things are left out. The companies don't consider things like runoff or erosion while giving these offers. Chopelas concluded by simply asking for public meetings, so landowners understand what is happening on their property and the adjacent property and that offers are fair, straightforward and upfront.

Donald Fuchs, Brazoria-Galveston CFB vice president from West Columbia, received notice in late December 2018 that a natural gas pipeline associated with a LNG project would be crossing his property. He described his experience with this company, as he was invited to an open house to learn where the pipeline was going to be laid. The attendees could also ask questions and make comments to the representatives of the companies. No protestors were there. The Houston Chronicle attended and wrote a story. The project falls under federal rules, which Fuchs believes requires the company to hold public hearings. This was a great example of how the

process should be ran, because it allows for landowners to develop a relationship with the pipeline. Following this experience, Fuchs received notification that another pipeline company would be laying a line across his property. He had never heard of this company and conducted research on the railroad commission and comptrollers websites and still could not find any information about them. Fuchs had to ask many questions of the representative to find out anything on this company. Fuchs just wants to know who he is dealing with and letting on his property. Some type of landowner meeting would go a long way to improving the relationship between the two parties involved.

Ron Pack, Erath CFB member from Stephenville, continues to be decimated by pipelines. He has three currently in operation, four abandoned lines and three pipelines scheduled for new construction. His land is turning into a pipeline superhighway. He has a football field wide strip of pipeline desecration less than 50 yards from his house and his days are filled with land agents, pipeline crews, attorneys and eminent domain lawsuits. Further, he pointed out that the Magellan pipeline company, who testified prior to him, is one of the most abusive companies. His Magellan lines had two exposures that they refuse to fix, because they said they do not have the budget. For the second line, they made an offer that was only 25 percent of what they offered for the first line in 2015 and took him straight to condemnation, rather than negotiating with him. Of his four abandon lines, two went bankrupt but are still in the ground. The other two were ETC pipelines that he negotiated the easements for himself and agreed to allow them to lay shallow on the contention that they would later come back and lower to 36 inches. They didn't, so he sued them and was able to get ETC to come back to remove the lines. So now there are four easements from abandon lines where it's unclear who now owns the easements. He's called the Texas Railroad Commission to get information, but they will not tell him. He's having to sue to determine who owns the easements, totaling four lawsuits he has in Erath County.

The following is the list of some of the notable organizations that testified against SB 421:

- Texas Association of Manufacturers
- Texas Royalty Council
- Texas Association of Business
- Texas Civil Justice League and Coalition for Critical Infrastructure
- Texas Independent Producers and Royalty Owners
- Texans for Lawsuit Reform
- Association of Electric Companies of Texas
- Permian Basin Petroleum Association
- Texas Oil and Gas Association

- Texas Pipeline Association
- Texas Rural Water Association

A complete list of everyone who supported or opposed the bill can be found starting on page 4 at this <u>link</u>.

To watch the complete hearing on SB 421, use this link. The coverage starts at 2:26.

Daylight Savings Time

HB 49, by Rep. Lyle Larson (R- San Antonio), and SB 190, by Sen. Jose Menendez (D-San Antonio), state that Texas will be exempt from adhering to daylight saving time.

Daylight saving time first began with the Uniform Time Act of 1966. The act was established with the goal of promoting a uniform time system throughout the United States. HB 49 would apply to the portion of Texas using Central Standard Time, as well as the portion using Mountain Standard Time.

These bills are refiles from last session.

SB 190 has been referred to the Senate State Affairs Committee.

TFB supports HB 49. (TFB Policy: Rural Living 183, lines 4-5)

Annexation

HB 347, by Rep. Phil King (R- Weatherford), SB 408 by Sen. Brian Birdwell (R-Granbury), SB 745 by Sen. Charles Schwertner (R- Georgetown), and SB 1432 by Sen. Pat Fallon (R- Prosper) relate to eliminating distinctions in the application of consent annexation requirements.

This legislation allows all property owners the right to vote on whether a city can annex them. Currently, only counties with a population of 500,000 or more are given the right to vote prior to annexation. Counties less than 500,000 in population are able to "optin" to a vote prior to annexation only if 10 percent or more of the voters in the county petition for the vote to occur. These bills eliminate the need to petition for a vote by removing the distinction between these counties.

HB 347 was heard in the House Land and Resource Management Committee this week and was left pending in committee.

TFB supports these bills. (TFB Policy: Cities 171, lines 4-12)



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