

2025 Regular Session

HOUSE BILL NO. 601

BY REPRESENTATIVE GEYMANN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ENERGY: Provides relative to carbon dioxide sequestration

1 AN ACT

2 To amend and reenact R.S. 19:2(10) and (11) and R.S. 30:1107(B) and to enact R.S. 19:2.3
3 and R.S. 30:1108(A)(4), relative to carbon dioxide sequestration; to provide for
4 expropriating authority for transporters of carbon dioxide for geologic storage; to
5 prohibit expropriation by certain transporters of carbon dioxide for geologic storage;
6 to provide relative to certificates of public convenience and necessity for transporters
7 of carbon dioxide for geologic storage; to require a consent threshold prior to the
8 exercise of eminent domain for carbon dioxide transmission pipelines; to provide for
9 notice required for expropriation by transporters of carbon dioxide for geologic
10 storage; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 19:2(10) and (11) are hereby amended and reenacted and R.S. 19:2.3
13 is hereby enacted to read as follows:

14 §2. Expropriation by state or certain corporations, limited liability companies, or
15 other legal entities

16 Prior to filing an expropriation suit, an expropriating authority shall attempt
17 in good faith to reach an agreement as to compensation with the owner of the
18 property sought to be taken and comply with all of the requirements of R.S. 19:2.2.

19 If unable to reach an agreement with the owner as to compensation, any of the
20 following may expropriate needed property:

* * *

(10)(a) Any domestic or foreign corporation, limited liability company, or other legal entity created for the purpose of, or engaged in, the piping or marketing of carbon dioxide for use in connection with a secondary or tertiary recovery project for the enhanced recovery of liquid or gaseous hydrocarbons approved by the commissioner of conservation, ~~or created for the purpose of, or engaged in, the transportation of carbon dioxide by pipeline for underground storage, including but not limited to through connecting to an existing pipeline transporting carbon dioxide for underground storage, whether owned or operated by the same entity, and which has received a certificate of public convenience and necessity pursuant to the provisions of R.S. 30:1107(B).~~ Property located in Louisiana may be so expropriated for the transportation of carbon dioxide for underground injection in connection with such projects located in Louisiana or in other states or jurisdictions.

(b) Any domestic or foreign corporation, limited liability company, or other legal entity created for the purpose of, or engaged in, the transportation of carbon dioxide by pipeline where the transportation of the carbon dioxide is exclusively for the purpose of underground storage, including but not limited to connecting to an existing pipeline transporting carbon dioxide for underground storage, whether owned or operated by the same entity and which has received a certificate of public convenience and necessity pursuant to the provisions of R.S. 30:1107(B).

(c) For the purposes of this Paragraph, "foreign" entities shall only include those entities incorporated, registered, or otherwise organized under the laws of a state of the United States other than Louisiana. A legal entity owned by, or with a controlling interest held by, a country other than the United States or persons who are not American citizens or permanent legal residents of the United States do not have the authority to expropriate property located in Louisiana and shall not be considered an expropriating authority pursuant to this Paragraph.

(11)(a) Any domestic or foreign corporation, limited liability company, or other legal entity created for the purpose of, or engaged in, the injection of carbon

dioxide for the underground storage of carbon dioxide and that has received a certificate of public convenience and necessity pursuant to the provisions of R.S. 30:1107(A). Property located in Louisiana may be so expropriated for the underground storage of carbon dioxide in connection with such storage facility projects located in Louisiana, including but not limited to surface and subsurface rights, mineral rights, and other property interests necessary or useful for the purpose of constructing, operating, or modifying a carbon dioxide storage facility. This Paragraph shall not allow for the expropriation of reservoir storage rights for geologic storage of carbon dioxide, except in connection with any project as to which R.S. 30:1108(B)(2) is applicable. This Paragraph shall have no effect on nor does it grant expropriation of the mineral rights or other property rights associated with the approvals required for injection of carbon dioxide into enhanced recovery projects approved by the commissioner under R.S. 30:4.

(b) For the purposes of this Paragraph, "foreign" entities shall be construed to mean those entities incorporated, registered, or otherwise organized under the laws of a state of the United States other than Louisiana. A legal entity owned by, or with a controlling interest held by, a country other than the United States or persons who are not American citizens or permanent legal residents of the United States do not have the authority to expropriate property located in Louisiana and shall not be considered an expropriating authority pursuant to this Paragraph.

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§2.3. Notice required; pipelines transporting carbon dioxide for underground storage

In addition to the requirements of R.S. 19:2.2, an expropriating authority under R.S. 19:2(10)(b) shall provide the following notice to the owner of the property prior to or at the initial meeting with the owner. The notice shall be printed using no less than fourteen-point font and including bold typed print as it appears in this Section:

NOTICE

Under Louisiana law, **the Pipeline Company does not have the legal authority to take your property by eminent domain until the Pipeline Company has acquired by agreement over 95% of the area required for their pipeline.**

The Louisiana Department of Energy and Natural Resources, office of conservation must find that the Pipeline Company has reached that 95% threshold and issue the Pipeline Company a certificate before the Pipeline Company can qualify for taking property by eminent domain.

If you have any questions about this, you can call the Louisiana Department of Energy and Natural Resources, office of conservation at 225-342-5540.

Section 2. R.S. 30:1107(B) is hereby amended and reenacted and R.S. 30:1108(A)(4) is hereby enacted to read as follows:

§1107. Certificates of public convenience and necessity; certificate of completion of injection operations

* * *

B.(1) The commissioner ~~shall~~ may issue a certificate of public convenience and necessity to ~~each~~ a transporter of carbon dioxide applying therefor, whether or not such transporter is also the storage operator, for the laying, maintaining, and operating of a pipeline for the transportation of carbon dioxide to a storage facility, and such rights necessary and incidental thereto for no more than five percent of the total length of the proposed pipeline if, after a public hearing pursuant to the provisions of R.S. 30:6, the commissioner ~~determines that~~ finds all of the following:

(a) ~~it~~ It is or will be in the present or future public interest to do so.

(b) At least ninety-five percent of the owners in interest within the proposed right of way for the pipeline have consented in writing to the right-of-way. The required ninety-five percent of the owners in interest shall be on the basis of, and in proportion to, the length of the entire right-of-way of the proposed pipeline in the application for the certificate of necessity and convenience and, if a tract within the right-of-way is subject to ownership in indivision, credited by multiplying the length of the tract by the undivided ownership interest of the parties who have consented in writing to right-of-way.

(c) The applicant has shown, to the department's satisfaction, that alternatives routes were considered and found not feasible. The applicant shall be required to provide the commissioner with detailed descriptions of the alternative routes considered, the cost to use each alternative route, and the reasons each alternative route was determined by the applicant to be unfeasible.

(2) The commissioner shall also consider concerns presented by any
unleased or nonparticipating owners within the proposed right-of-way and alternative
routes provided by such owners.

(3) The commissioner may require the applicant to provide any additional
information deemed necessary to make a fully informed ruling on the application.

(4) Based on information received in the application, at the hearing, and pursuant to any request for additional information, the commissioner may require modification to the proposed right-of-way prior to issuance of a certificate of public convenience and necessity.

(5) The commissioner's ruling on an application for a certificate of public convenience and necessity pursuant to this Subsection may be appealed to the First Circuit Court of Appeals for judicial review.

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§1108. Eminent domain; expropriation

A.

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(4) The exercise of eminent domain or expropriation powers under this Section shall not apply to pipelines used exclusively for the transportation of carbon dioxide for the purpose for underground storage, including but not limited to through connecting to an existing pipeline transporting carbon dioxide for underground storage, unless at least ninety-five percent of the owners in interest within the proposed right-of-way for the pipeline have consented in writing to the right-of-way and the transporter has been issued a certificate of public convenience and necessity pursuant to R.S. 30:1107(B). The required ninety-five percent of the owners in

1 interest shall be on the basis of, and in proportion to, the length of the entire right-of-
2 way of the proposed pipeline and, if a tract within the right-of-way is subject to
3 ownership in indivision, credited by multiplying the length of the tract by the
4 undivided ownership interest of the parties who have consented in writing to right
5 of way.

6 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 601 Original

2025 Regular Session

Geymann

Abstract: Clarifies commissioner of conservation's authority and duties regarding the issuance of certificates of public convenience and necessity for transporters of carbon dioxide for geologic storage; requires transporters to obtain written consent from 95% of the owners in interest in a proposed pipeline right-of-way before obtaining a certificate; and limits the use of expropriation to no more than the remaining 5% of the pipeline length; and prohibits foreign owned legal entities from using expropriation for carbon dioxide sequestration.

Present law provides for expropriation by state or certain corporations, limited liability companies, or other legal entities, including carbon dioxide sequestration operators and pipeline companies.

Proposed law limits the expropriating authority of these pipeline companies by requiring they obtain written consent from 95% of the owners in interest for the total length included in the pipeline right of way.

Proposed law prohibits carbon dioxide sequestration operators and pipeline companies owned by, or with a controlling interest held by, countries other than the United States or persons who aren't American citizens or permanent U.S. residents from being considered expropriating authorities under present law.

Proposed law further requires specified notice be provided to property owners by carbon dioxide sequestration pipelines companies as part of the process required under present law prior to the expropriation of property.

Present law provides for issuance of certificates of public convenience and necessity to each transporter of carbon dioxide applying therefore, and such rights necessary and incidental thereto, if after a public hearing the commissioner determines that it is or will be in the public interest to do so.

Proposed law limits the issuance of a certificate to no more than 5% of the total area within a proposed CO2 pipeline right-of-way.

Proposed law clarifies the duties and powers of the commissioner as they relate to the issuance of certificates of public convenience and necessity for transporters of carbon dioxide for geologic storage. Proposed law further provides that, in addition to a finding that it will be in the public interest, the commissioner must find that:

- (1) 95% of the owners in interest within the proposed pipeline right-of-way have consented to the right-of-way.
- (2) That the applicant considered alternative routes and found them unfeasible. The applicant must provide details regarding the routes considered, the cost of using each alternative route, and the reasons that each was determined to be unfeasible.

Proposed law specifies how the 95% consent threshold must be calculated.

Proposed law requires the commissioner to also consider concerns and alternative routes from opposing landowners.

Proposed law authorizes the commissioner to require the submission of additional information deemed necessary to make an informed ruling.

Proposed law authorizes the commissioner to require modification of the proposed right of way before issuing a certificate.

Proposed law provides for appeal of the commissioner's ruling on a certificate application to the 1st Circuit Court of Appeals.

Present law authorizes the use of eminent domain for CO2 pipelines following receipt of a certificate of public convenience and necessity.

Proposed law adds the 95% consent threshold language for CO2 pipelines to the eminent domain provisions of present law.

(Amends R.S. 19:2(10) and (11) and R.S. 30:1107(B); Adds R.S. 19:2.3 and R.S. 30:1108(A)(4))