By:  Burns H.B. No. 902

A BILL TO BE ENTITLED

AN ACT

relating to the acquisition of real property by an entity with eminent domain authority; requiring an occupational license; authorizing a fee; providing a civil penalty; imposing a criminal penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. INFORMATION FOR LANDOWNERS

SECTION 1.01.  Subchapter B, Chapter 402, Government Code, is amended by adding Section 402.032 to read as follows:

Sec. 402.032.  OMBUDSMAN FOR LANDOWNERS; LANDOWNER'S BILL OF RIGHTS. (a) The attorney general shall establish an ombudsman office within the office of the attorney general for the purpose of providing information to landowners whose real property may be acquired by a governmental or private entity through the use of the entity's eminent domain authority. The attorney general shall select the ombudsman.

(b)  The ombudsman shall provide information to and answer questions from landowners described by Subsection (a), through the attorney general's Internet website and a toll-free telephone number established by the ombudsman, regarding:

(1)  the landowner's bill of rights prescribed by Subsection (c); and

(2)  the procedures for acquiring real property through the use of eminent domain authority under Chapter 21, Property Code, or other law.

(c)  The attorney general shall provide notice by publication to all counties in the State of Texas and shall make available on the attorney general's Internet website a landowner's bill of rights that is written in plain language designated to be easily understood by the average property owner and to read as follows:

TEXAS LANDOWNER'S BILL OF RIGHTS

The Texas Constitution gives state and local governments and some private entities, such as utility or pipeline entities, the legal authority to acquire private property, or a partial interest in private property, for public use. This authority is called the power of eminent domain.

In most instances, the power of eminent domain is used to acquire property to build large infrastructure projects that benefit all Texans, such as highways and roads, power lines, water, oil and other common carrier pipelines, and gas utility pipelines, and flood control projects. The Texas Constitution does not allow an entity to use the power of eminent domain exclusively, for private purposes, such as for real estate development or other economic purposes. Entities authorized by law to exercise the power of eminent domain must do so by following detailed procedures found in Chapter 21 of the Texas Property Code or other Texas law. An entity that wants to acquire your property for public use must compensate you for it.

Private property rights are cherished by all Texas landowners, and your rights are protected by the Texas Constitution and the laws that govern the use of the power of eminent domain. If you are approached by a public or private entity interested in acquiring your property or an interest in your property for public use, you should be aware not only of your legal rights, but also of certain practical considerations that will help guide you in your negotiations.

YOU HAVE A RIGHT TO ASK QUESTIONS. Who exactly wants the property and what does that entity want to do with it? You have a right to know the identity of the entity that wants to acquire all or part of your property and what the entity plans to do with the property.

DO NOT SIGN A DOCUMENT YOU DON'T UNDERSTAND. If you don't understand what is in the document you are being asked to sign, seek advice from a trusted source, such as a family member, a fellow property owner who has dealt with a similar situation, a real estate professional who can help evaluate the property being sought, or an attorney who can help you navigate the eminent domain process, if that becomes necessary.

KNOW YOUR LEGAL RIGHTS AND FAMILIARIZE YOURSELF WITH THE PROCESS. An entity cannot acquire an interest in your property without first providing you with a written offer to buy the interest. You can expect to be given the financial basis for the offer. You may also request an in-person, remote or telephonic meeting with the acquiring entity to discuss the project. You should receive the name and contact information of an employee of the acquiring entity so you can ask questions.

NEGOTIATE WITH THE ACQUIRING ENTITY. In the vast majority of property acquisitions, the property owner and the acquiring entity come to a voluntary agreement on the amount of compensation to be paid and, if only part of the property is acquired (most often as an easement), on the terms under which the entity may use the property. Keep in mind that an entity taking an easement or other partial interest in the property will want to maintain a good long-term relationship with you, so it is beneficial for both parties to talk about all the concerns and come to a mutual understanding before signing the agreement.

WHAT HAPPENS IF YOU CANNOT REACH AN AGREEMENT? In some cases, the property owner and the acquiring entity simply can't come to an agreement on the amount of compensation for the acquisition or the terms of the instrument that grants the acquiring entity the property rights it seeks to acquire. In any such case, a panel of three local landowners (called "special commissioners") will be appointed by a judge to decide how much compensation you are owed for the property interest sought. The hearing is informal and does not require you to have a lawyer or other expert, such as an appraiser, but you are free to have one or both. The panel also determines the amount of compensation for the reduction in value, if any, to your remaining property as a result of the property interest sought.

WHAT HAPPENS IF YOU STILL AREN'T SATISFIED? If you don't believe the compensation awarded by the special commissioners is adequate, of if you don't think the acquiring entity has the legal authority to acquire the property, you may request a trial before a judge or a jury of your peers. If you get to this point, it is recommended that you engage a lawyer and probably an expert appraiser to make your case. In a very small number of cases, there may be a question about the acquiring entity's right to use eminent domain in the first place. In that event, a court has to verify the entity's authority to use eminent domain and determine whether the project is for a "public use." If you disagree with the outcome in the trial court, you can appeal the court's decision to a court of appeals.

STILL HAVE QUESTIONS ABOUT THE EMINENT DOMAIN PROCESS? The Office of the Attorney General has an Internet website at [insert Internet website address] and a toll-free number [insert telephone number] where you can learn more.

SECTION 1.02.  Section 402.031, Government Code, is repealed.

SECTION 1.03.  Not later than January 1, 2022, the office of the attorney general shall:

(1)  make the landowner's bill of rights statement provided by Section 402.032, Government Code, as added by this Act, available on the attorney general's Internet website; and

(2)  establish an ombudsman office for landowners as required by Section 402.032, Government Code, as added by this Act.

ARTICLE 2. ELIGIBILITY FOR RIGHT-OF-WAY AGENT CERTIFICATION

SECTION 2.01.   Section 1101.502(a), Occupations Code, is amended to read as follows:

Sec. 1101.502.  ELIGIBILITY REQUIREMENTS FOR CERTIFICATE. (a) To be eligible to receive a certificate of registration or a renewal certificate under this subchapter, a person must [~~be~~]:

(1)  be at least 18 years of age; [~~and~~]

(2)  be a citizen of the United States or a lawfully admitted alien; and

(3)  successfully complete the required courses of study, including qualifying or continuing education requirements, prescribed by this subchapter.

SECTION 2.02.  Section 1101.508, Occupations Code, is added to read as follows:

Sec. 1101.508.  PROBATIONARY CERTIFICATE. (a) The commission may issue a probationary certificate.

(b)  The commission by rule shall adopt reasonable terms for issuing a probationary certificate.

SECTION 2.03.  Section 1101.509, Occupations Code, is added to read as follows:

Sec. 1101.509.  QUALIFYING AND CONTINUING EDUCATION REQUIREMENTS. (a) The commission by rule shall approve coursework that an applicant must successfully complete to be eligible for a certification or renewal certification under this subchapter.

(b)  An applicant for a certification or renewal certification shall submit evidence satisfactory to the commission that the applicant has successfully completed at least 16 classroom hours of coursework every two years approved by the commission in:

(1)  the law of eminent domain, including the rights of property owners;

(2)  appropriate standards of professionalism in contacting and conducting negotiations with property owners; and

(3)  ethical considerations in the performance of right-of-way acquisition services.

SECTION 2.04.  Section 1101.653, Occupations Code, is amended to read as follows:

Sec. 1101.653.  GROUNDS FOR SUSPENSION OR REVOCATION OF CERTIFICATE. The commission may suspend or revoke a certificate of registration issued under this chapter if the certificate holder:

(1)  engages in dishonest dealing, fraud, unlawful discrimination, or a deceptive act;

(2)  makes a misrepresentation;

(3)  acts in bad faith;

(4)  demonstrates untrustworthiness;

(5)  fails to honor, within a reasonable time, a check issued to the commission after the commission has mailed a request for payment to the certificate holder's last known address according to the commission's records;

(6)  fails to provide to a party to a transaction a written notice prescribed by the commission that:

(A)  must be given before the party is obligated to sell, buy, lease, or transfer a right-of-way or easement; and

(B)  contains:

(i)  the name of the certificate holder;

(ii)  the certificate number;

(iii)  the name of the person the certificate holder represents;

(iv)  a statement advising the party that the party may seek representation from a lawyer or broker in the transaction; and

(v)  a statement generally advising the party that the right-of-way or easement may affect the value of the property;

(7)  directly or indirectly, takes a financial incentive to make an initial offer that the certificate holder knows or should have known is lower than the just and reasonable compensation required under the Texas Constitution; or

~~(7)~~ (8)  disregards or violates this chapter or a commission rule relating to certificate holders. SECTION 2.05. Not later than December 1, 2021, the Texas Real Estate Commission shall adopt rules necessary to implement the changes in law made by this Act to Chapters 1101, Occupations Code.

SECTION 2.06.  Chapter 1101, Occupations Code, as amended by this Act, apply only to an original or renewal certificate of registration as an easement or right-of-way agent for which an application was submitted on or after January 1, 2022. An original or renewal certificate of registration as an easement or right-of-way agent for which an application was submitted before January 1, 2022, is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose. An applicant for an original easement or right of way agent certificate of registration submitted on or after January 1, 2022 will have until January 1, 2024 to complete the educational requirements under Chapter 1101.

ARTICLE 3. EXERCISE OF EMINENT DOMAIN AUTHORITY

SECTION 3.01.  Section 21.0112(a), Property Code, is amended to read as follows:

(a)  An [~~Not later than the seventh day before the date a governmental or private entity with eminent domain authority makes a final offer to a property owner to acquire real property, the entity must send by first class mail or otherwise provide a landowner's bill of rights statement provided by Section 402.031, Government Code, to the last known address of the person in whose name the property is listed the most recent tax roll of any appropriate taxing unit authorized by law to levy property taxes against the property. In addition to the other requirements of this subsection, an~~] entity with eminent domain authority shall provide a copy of the landowner's bill of rights statement prescribed by Section 402.032, Government Code, to a landowner at or before the first in-person contact unless the entity expressly states, at that time, it will not seek to file a petition under this chapter ~~before or at the same time as the entity first represents in any manner to the landowner that the entity asserts, intends to assert, or possesses eminent domain authority to acquire the landowner's property for public use~~. For purposes of this subsection, in-person contact does not include contact conducted by telephonic or video-conferencing.

SECTION 3.02.  Section 21.0113, Property Code, is amended by amending Subsection (b) to read as follows:

(b)  An entity with eminent domain authority has made a bona fide offer if:

(1)  an initial offer is made in writing to a property owner that includes:

(A)  a copy of the landowner's bill of rights statement prescribed by Section 402.032, Government Code, unless the entity has previously provided a copy of the statement to the property owner;

(B)  an offer of compensation in an amount equal to or greater than one of the following:

(i)  the market value of the property rights sought to be acquired, based on an appraisal of the property prepared by a certified general appraiser licensed under Chapter 1103, Occupations Code;

(ii)  the estimated price or market value of the property rights sought to be acquired based on data for at least three comparable arm's-length sales of a property;

(iii)  the estimated price or market value of the property rights sought to be acquired based on a comparative market analysis prepared by a real estate broker licensed under Chapter 1101, Occupations Code, or a certified general appraiser licensed under Chapter 1103, Occupations Code;

(iv)  the estimated price of the property rights sought to be acquired based on a broker price opinion prepared by a real estate broker licensed under Chapter 1101, Occupations Code;

(v)  the estimated market value of the property rights sought to be acquired based on a market study prepared by a real estate broker licensed under Chapter 1101, Occupations Code, or a certified general appraiser licensed under Chapter 1103, Occupations Code; or

(vi)  150 percent of the per acre value for each acre or part of an acre sought to be acquired, based on the total land value for the whole property out of which the property rights are sought to be acquired, as reflected in the most recent tax rolls of the central appraisal district in which the property is located;

(C)  as applicable, the complete written report, as prepared by the certified appraiser or real estate broker, that forms the basis for the amount of the offer of compensation under Paragraph(B)(i), (iii), or (iv) or a brief written summary that forms the basis for the amount of the offer of compensation under Paragraph(B)(ii), (v), or (vi);

(D)  an instrument of conveyance in accordance with Section 21.0114, as applicable; and

(E)  the name and telephone number of a representative of the entity. Representative is defined as:

(i)  an employee of the entity;

(ii)  an employee of an affiliate providing services on behalf of the entity;

(iii)  the legal representative; or

(iv)  in the case of an entity without employees, an individual designated to represent the day-to-day operations of the entity;

(2)  the entity satisfies the requirements of Subchapter B-1, as applicable;

(3) [~~(2)~~]  a final offer is made in writing to the property owner;

(4) [~~(3)~~]  the final offer is made on or after the 30th day after the date on which the entity makes a written initial offer to the property owner;

(5) [~~(4)~~]  before making a final offer, the entity obtains a written appraisal report from a certified appraiser of the value of the property rights being acquired and the damages, if any, to any of the property owner's remaining property;

(6) [~~(5)~~]  the final offer is equal to or greater than the amount of the written appraisal report obtained by the entity;

(7) [~~(6)~~]  the following items are included with the final offer or have been previously provided to the owner by the entity:

(A)  a copy of the written appraisal report;

(B)  a copy of the deed, easement, or other instrument conveying the property sought to be acquired; and

(C)  the landowner's bill of rights statement required [~~prescribed~~] by Section 21.0112; and

(8) [~~(7)~~]  the entity provides the property owner with at least 14 days to respond to the final offer and the property owner does not agree to the terms of the final offer within that period.

SECTION 3.03.  Subchapter B, Chapter 21, Property Code, is amended by adding Section 21.0114 to read as follows:

Sec. 21.0114.  TERMS REQUIRED FOR INSTRUMENT OF CONVEYANCE OF EASEMENT. (a) Except as provided by Subsection (b), an instrument of conveyance of an easement, that does not relate to an oil, natural gas, oil product, or liquidified mineral pipeline, provided to a property owner under Section 21.0113 must include the following terms:

(1)  the name of the grantor;

(2)  the name of grantee;

(3)  a description of the purpose of the easement;

(4)  a description or illustration of the location of the easement, including a metes and bounds or centerline description, plat, or aerial or other map-based depiction of the location of the easement on the property;

(5)  a description of the types of improvements that may be placed by the grantee within the easement, including whether the type of improvement would be above or below the existing surface of the land;

(6)  a provision regarding the grantee's right, if any, to install future improvements within the easement and to reconstruct, remove, replace, or repair any grantee improvements;

(7)  a provision regarding the grantor's retained rights to use the land, if any;

(8)  a provision regarding the grantor's right, if any, to actual monetary damages for claims arising from the construction and installation of each improvement to be installed in, on, or under the easement, or a statement that the consideration for the easement includes any monetary damages arising from the construction and installation of each improvement to be installed in, on, or under the easement;

(9)  a provision regarding the grantor's right after initial construction and installation of each improvement to be installed in, on, or under the easement to actual monetary damages arising from the repair, maintenance, inspection, replacement, operation, or removal of each improvement to be installed in, on, or under the easement or a statement that the consideration for the easement includes any monetary damages arising from the repair, maintenance, inspection, replacement, operation, or removal of each improvement to be installed in, on, or under the easement;

(10)  a provision regarding:

(A)  the repair and restoration, to the extent reasonably practicable, of areas used or damaged by the grantee outside the easement area to substantially the same condition as the original condition or better; or

(B)  the payment of actual monetary damages for areas not restored; and

(11)  a provision describing the grantee's rights of ingress, egress, entry, and access on, to, over, and across the easement and the grantor's adjoining property.

(b)  An instrument of conveyance of an easement provided to a property owner under Section 21.0113, that relates to an oil, natural gas, oil product, or liquidified mineral pipeline, must include the following, in substantial form and content:

NOTICE OF CONFIDENTIALITY RIGHTS: YOU MAY REMOVE OR STRIKE ANY OR ALL OF YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS.

PERMANENT EASEMENT AGREEMENT

This Permanent Easement Agreement (the "Agreement") is by and between            [Name in Bold], whose address is            [insert Address NO Abbreviations], (hereinafter referred to as "Grantor", whether one or more) and            , with offices at           , and its successors and assigns (such entity and its successors and assigns are collectively referred to as the "Grantee"). For the consideration of TEN AND NO/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby GRANT, BARGAIN, SELL, and CONVEY unto Grantee a perpetual non-exclusive free and unobstructed permanent pipeline easement       feet in width [or if it varies, describe], in order to, among other rights described below, construct, operate, and maintain one (1) pipeline [or if permanent pipeline easement is sought for more than one pipeline, specify in the instrument the number of pipelines sought] not to exceed       inches in nominal diameter (whether one or more, the "Pipeline") and any appurtenant facilities in, over, through, across, under, and along land owned by the Grantor, said easement being described on the exhibit(s) attached hereto and made part hereof (the "Permanent Pipeline Easement"), and if described on the exhibit(s) attached hereto (i) a permanent exclusive surface site easement as described on the exhibit(s) attached hereto for the purpose of erecting, laying, constructing, maintaining, fencing, operating, repairing, inspecting, replacing, protecting, altering, and removing [specify in the instrument one or more of the following facilities sought to be installed] both above and below the surface, pipelines, pipeline gate valve(s), by-passes, cross-overs, loops, risers, vents, cables, meters, valves, cathodic protection, conduits, launching-receiving equipment/in-line pigging facilities, alternating current mitigation equipment, electrical supply facilities, wires and poles, solar power facilities, generators, treating and dehydration facilities, monitoring cameras, slug catchers, compressors, pumps, radio and communications equipment and facilities, measuring equipment and meter runs, and any other appurtenances that may be necessary or desirable in connection therewith (the "Surface Site Easement"), (ii) a temporary or permanent access easement as identified on the exhibit(s) hereto on, over, through, across, and along Grantor's property, as more particularly described on the exhibit(s) hereto, for ingress and egress by Grantee and its employees, designees, contractors, successors, and assigns, and all those acting by or on behalf of it, for the unobstructed passage of persons, vehicles, equipment, and/or machinery, together with the non-exclusive right to use any existing roadway and/or to construct, protect, inspect, repair, alter, reconstruct, restore, improve, maintain, and use a road, including ditches, culverts, drains, and such other appurtenant facilities (the "Access Easement"), and (iii) a perpetual non-exclusive free and unobstructed permanent easement       feet in width, for the purpose of erecting, laying, constructing, maintaining, operating, repairing, inspecting, replacing, protecting, altering, and removing power lines, poles and related appurtenances to serve the Pipeline or appurtenances thereto (the "Electric Line Easement").

Grantor does also hereby GRANT, BARGAIN, SELL, and CONVEY unto Grantee temporary workspace and extra/additional temporary workspace, if any, as generally described in the exhibit(s) attached hereto, in order to construct the Pipeline and any appurtenant facilities in, over, through, across, under, and along the property and to restore the property as required under this Agreement (the "Temporary Construction Easement") (The Permanent Pipeline Easement and Temporary Construction Easement, together with the Surface Site Easement, the Access Easement and the Electic Line Easement (to the extent described in the exhibit(s) hereto), are collectively referred to as the "Easements"). The term of the Temporary Construction Easement and Access Easement (if identified as temporary on the exhibit(s) hereto) shall be for a period to extend twenty-four (24) months from the date of construction commencement on Grantor's property. However, if Grantee has completed its use of the Temporary Construction Easement or Access Easement (if identified as temporary) prior to the expiration of said period, then the Temporary Construction Easement and such Access Easement shall immediately terminate. All rights, duties, and/or obligations arising by or under this Agreement shall only apply to the Temporary Construction Easement and Access Easement (if identified as temporary) while same are in effect.

It is further agreed as follows:

1.  Permanent Pipeline Easement. The right to use the Easements shall belong to the Grantee and its agents, employees, designees, contractors, guests, invitees, successors, and assigns, and all those acting by or on behalf of it, or to any of them, for the purposes of establishing, laying, constructing, reconstructing, installing, realigning, modifying, replacing, improving, adding, altering, substituting, operating, maintaining, accessing, inspecting, patrolling, protecting, repairing, changing the size of, relocating, and changing the route or routes of the Pipeline within the Permanent Easement and abandoning in place and removing at will, in whole or in part, the Pipeline, for the transportation of [the instrument to specify one or more of the following] oil, gas, oil products, liquefied minerals (including without limitation, condensate, whether obtained from oil or gas wells, ethane, ethylene, propane, butane, isobutene, pentane, natural gasoline, and other products derived from hydrocarbons), crude petroleum, hydrocarbon gas liquids, or other mineral solutions, together with above and below ground appurtenances as may be necessary or desirable for the operation of the Pipeline over, across, under, and upon the Permanent Easement.

2.  Minimum Burial Depth. At the time of initial construction, Grantee shall bury the Pipeline to a minimum depth of thirty-six inches (36") below the surface of the ground and any then existing drainage ditches, creeks, and roads, provided however at those locations where rock is encountered, the Pipeline may be buried at a lesser depth. If the Pipeline crosses a river or other large drainage feature or is intended to be placed above ground, the Pipeline can be installed, where permitted by law, along a bridge, or in above ground pipe racks or upon the surface, as permitted by law.

3.  Ingress and Egress. Grantee shall have the right of ingress, egress, entry, and access in, to, through, on, over, under, and across the Easements and where same intersect any public road or public right-of-way or other easement to which Grantee has the right to access and along any roads designated by Grantor and any roads or routes as needed during an emergency, for any and all purposes necessary and/or incident to the exercise by the Grantee of the rights granted to it by this Agreement. Grantee shall promptly repair any damage to Grantor's roads caused by Grantee in the exercise of any rights granted in as good a condition as existed prior to use by Grantee.

4.   Lateral Support. Grantee shall have the right to select the exact location of the Pipeline within the Permanent Easement. Further, Grantee shall have the right to construct, maintain, and change slopes of cuts and fills to ensure proper lateral and subjacent support for and drainage for the Pipeline and appurtenant facilities.

5.  Damages. The consideration paid by Grantee in this Agreement includes the market value of the Easements and including without limitation any and all (i) damages resulting from the removal or clearing of any trees, shrubs, and other improvements or obstructions within the Easements, (ii) damages resulting from Grantee's digging and trenching operations within the Easements, (iii) crop damages in connection with any farm lands located within the Easements, (iv) damages to the remaining property, if any, as a result of the granting of the Easements and the installation of the Pipeline, including any diminution in value, if any, (v) damages to the Easements themselves by reason of the operation, maintenance, repair, alteration, and/or servicing of the Pipeline after initial pipeline construction and remediation is completed, and (vi) damages or claims resulting from the remediation performed by Grantee on Grantor's lands following initial construction, and (vii) damages resulting from routine clearing of the permanent Easements of obstructions and maintaining a line of sight along the Easements. The initial consideration does not cover any damages which may accrue from time to time to Grantor's other lands outside the Easements and Grantee shall pay Grantor for any and all other such reasonable and actual damages promptly as they may accrue.

6.  Fences. Grantee shall have the right to remove any fence that now crosses or may cross the Easements during initial construction of the Pipeline or thereafter. Prior to cutting any fence, however, Grantee shall brace the existing fence to be cut adequately on both sides of the proposed cut by suitable H-braces to prevent the remainder of the fence from sagging and shall promptly install wire gaps or gates in any fence opening created by Grantee. Each such wire gap or gate is to be reinforced so as to be strong enough to prevent livestock from passing through same, where livestock is present. Upon completion of initial construction operations, each wire gap will be removed and at Grantee's sole option replaced with (i) fencing of the same or better grade and condition as existed before Grantee cut and gapped same or (ii) a permanent gate, which gate shall, to the extent reasonably practicable, be constructed out of similar or better grade materials than already used for existing gates on the property. Each entry and exit gate shall be securely closed and locked, except when Grantee or its authorized personnel are actually passing through same, and Grantor and Grantee shall each be entitled to maintain their own lock in any such gate, such that Grantor and Grantee shall each have the right of free passage through any such gates. If Grantee fails to restore any fences or gates disturbed by Grantee to the same or better grade and condition as existed before Grantee disturbed same, Grantee shall pay Grantor the reasonable costs to restore any such fences or gates to the same or better grade and condition as existed before Grantee disturbed same.

7.  Crossing Rights and Surface Limitations. Grantor may use the Easements for any and all purposes not inconsistent with the purposes set forth in this Agreement; provided, however, that Grantor may not use any part of the Easements if such use may damage, destroy, injure, and/or interfere with Grantee's use of the Easements for the purposes for which the Easements are being sought by Grantee. Notwithstanding anything herein to the contrary, Grantor is not permitted to conduct any of the following activities on the Easements: (1) construct any temporary or permanent building or site improvements; (2) drill or operate any well on the Easements; provided that a well can be directionally drilled under the Easements subject to the terms for drilling set forth in Paragraph 9 below; (3) remove soil or change the grade or slope; (4) impound surface water; or (5) plant trees or landscaping. Grantor further agrees it may not cause above- or below-ground obstruction to interfere with the purposes for which this Agreement is being acquired may be placed, erected, installed, or permitted upon the Easements without the prior written permission of Grantee. Grantor and Grantor's heirs, successors, and assigns shall have the right, after prior written notice to Grantee and review and approval by Grantee thereof, to construct, reconstruct, and maintain streets, sidewalks, roads or drives, road ditches, drainage ditches, and utilities, near perpendicular but in no event at any angle of not less than forty-five (45) degrees to Grantee's Pipeline over and across the Permanent Easement, provided that all of Grantee's required and applicable spacing and crossing guidelines, including, without limitation, horizontal and vertical separation limits and other protective requirements, are met by Grantor at Grantor's cost. In the event the terms of this paragraph are violated, such violation shall immediately be corrected or eliminated by Grantor upon receipt of written notice from Grantee or Grantee shall have the immediate right to correct or eliminate such violation at the sole risk and expense of Grantor. Grantor shall promptly reimburse Grantee for any expenses or costs related thereto. Further, Grantor will not hereafter interfere in any manner with the purposes for which the Easements are conveyed, and Grantee shall have the right to remove any improvement, facility, or structure that interferes with the purposes for which the Easements are granted or which may endanger or interfere with the efficiency, safety, or convenient operation and maintenance of the Pipeline and appurtenant facilities and which is installed by Grantor subsequent to the date that Grantee acquires possession of the Easements, without liability for damages and at Grantor's cost. Grantor agrees that Grantee will not be liable to repair, replace or be liable for the cost of repair or replacement of any of Grantor's above or below ground obstructions installed by virtue of this paragraph as a result of Grantee's use of the Easements.

8.  Mowing/Clearing. Grantee has the right, from time to time without paying any damages to Grantor, to mow the Permanent Easement and to trim or cut down or eliminate from the Easements trees or shrubbery, in the sole judgment of Grantee and its successors and assigns, as may be necessary to install the Pipeline and thereafter on the Permanent Easement to prevent possible interference with the operation and maintenance of the Pipeline and to remove possible hazard thereto. All trees and brush removed during construction and other debris generated during construction shall be burned and/or chipped and spread on the Easements or removed to an appropriate disposal site. The method of disposal shall be selected by Grantee.

9.  Oil and Gas. To the extent of its authority over the mineral estate, Grantor shall retain all the oil, gas, and other minerals in, on, and under the Easements; provided, however, that Grantor, to the extent of its authority over the mineral estate, shall not be permitted to drill or operate equipment for the production or development of minerals on the Easements, but it will be permitted to extract the oil and other minerals from and under the Easements by directional drilling and other means, provided the drill bit enters the Easements at a subsurface depth of one hundred feet (100') or deeper and so long as such activities do not damage, destroy, injure, and/or interfere with the Grantee's use of the Easements for the purposes for which the Easements are being sought by Grantee.

10.  Pipeline Installation and Grading. Grantee will, insofar as reasonably practicable, level, re-grade, and reseed the ground disturbed by Grantee's use of the Easements and will maintain the Easements clean of all litter and trash gererated by Grantee during periods of construction, operation, maintenance, repair, or removal. All construction debris shall be cleaned up and removed from Grantor's lands upon completion of installation and construction of the Pipeline, associated equipment, and appurtenances thereto. During the initial construction, the trenching (but not installation by horizontal directional drilling or underground boring) in areas of Grantor's lands that are currently being used for growing commercial crops or purposefully fallowed for a period of time not to exceed the lesser of five years or the number of consecutive years such land was used for growing commercial crops prior to being fallow, shall be done in such a manner so that at least twelve inches (12") of top soil (or the amount of top soil present if less than twelve inches (12") exists) will be separated from the balance of the dirt removed in making the ditch or trench for installation of the Pipeline. In backfilling after installation of the Pipeline, the topsoil so first removed and segregated shall be used as cover soil in such a manner so as to result in it being returned to the top of the ditch as topsoil.

11.  Use Limitations. Grantee shall use the Easements solely for the purposes specified in this Agreement. There shall be no hunting or fishing on the Easements or any of Grantor's lands by Grantee or its officers, agents, employees, contractors, invitees, guests, or representatives at any time. No firearms or fishing equipment shall be taken on the Easements by Grantee or its officers, agents, employees, contractors, invitees, guests, or representatives at any time.

12.  Above Ground Appurtenances. Except for facilities located on the Surface Site Easement and Electric Line Easement(if identified and included in the exhibit(s) hereto), Grantee shall not place any above ground appurtenances on the Permanent Pipeline Easement except for pipeline markers and cathodic protection units, cathodic test leads, alternating current mitigation equipment, and/or other cathodic protection appurtenances, necessary to monitor and control potential corrosion, including, without limitation, decouplers, pedestals, rectifiers, electric lines, electrical facilities, electric meters, junction boxes, anodes, wires, poles, ground beds, fencing, bollards, grounding systems, and any other appurtenances necessary for cathodic protection or corrosion control, if necessary for the operation of the Pipeline, as determined by Grantee in its sole discretion, and except for [describe other above ground appurtenances, if any, which will be installed within the Permanent Pipeline Easement]. Grantee shall use reasonable efforts to place such above ground signage and cathodic protection facilities at the junction of the Permanent Pipeline Easement and fence lines, property lines, pipeline crossings, river or creek crossings, or road crossings, provided however, Grantee shall have the right to place same at any other location required by applicable law, regulation, or rule on Grantor's property.

13.  Indemnity. GRANTEE SHALL DEFEND WITH COUNSEL OF GRANTEE'S CHOICE, INDEMNIFY, PROTECT, AND HOLD HARMLESS GRANTOR, GRANTOR'S HEIRS, SUCCESSORS, ASSIGNS AND RELATED OR AFFILIATED ENTITIES (THE "INDEMNIFIED PARTIES"), FROM ANY AND ALL LIENS, CLAIMS, DEMANDS, COSTS (INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES), EXPENSES, DAMAGES, LOSSES, AND CAUSES OF ACTION FOR DAMAGES ASSERTED BY PERSONS OR ENTITIES UNAFFILIATED WITH THE INDEMNIFIED PARTIES BECAUSE OF INJURY TO PERSONS (INCLUDING DEATH) AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS TO THE EXTENT CAUSED BY GRANTEE'S NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR STRICT LIABILITY.

14.  Tenants. Grantor hereby identifies the following as people or entities having a lease, sublease, or other possessory interest in Grantor's property:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(If this paragraph is left blank, then Grantor represents there are no such persons or entities.)

15.  Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original of this Agreement but all of which, when delivered and taken together, shall constitute one and the same Agreement and be binding upon the parties who executed any counterpart, regardless of whether it is executed by all parties named herein.

16.  Assignability. Grantee shall have the right to assign this grant in whole or in part, in which event Grantor acknowledges and agrees that the assignee shall succeed to the rights and obligations of Grantee to the extent conveyed in such assignment, and Grantee shall be relieved of obligations with respect to the assigned interest which accrue after the date of assignment.

17.   Integration Clause. This Agreement constitutes the entire agreement and supersedes any and all prior oral understandings and agreements, if any, concerning the subject of this Agreement. Grantor confirms and agrees that Grantor has been made no promise or agreement by Grantee or any agent of Grantee (which is not expressed or referenced specifically within this Agreement) in executing this Agreement, that Grantor is not relying upon any statement or representation of Grantee or any agent of Grantee and that Grantor's execution of this Agreement is free and voluntary. This Agreement may not be modified or amended except on or after the date hereof except by a writing signed by the party against whom said modification or amendment is to be enforced and no party shall be liable or bound to any other party in any manner except as specifically set forth herein.

18.  Disclaimer. NEITHER PARTY HAS RELIED UPON AND HEREBY EXPRESSLY DISCLAIMS RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS, INFORMATION, OR MATERIALS PROVIDED, SUPPLIED, OR FURNISHED BY THE OTHER PARTY OR OTHERWISE MADE AVAILABLE BY EITHER PARTY IN THE PUBLIC DOMAIN OR OTHERWISE (OTHER THAN THOSE MADE IN THIS AGREEMENT).

TO HAVE AND TO HOLD, subject to all matters of record which are valid and subsisting and affect Grantor's property burdened by this Permanent Easement Agreement, the rights, privileges, and authority hereby granted unto the Grantee and its successors and assigns, forever, and Grantor does hereby agree to warrant and defend said Easements unto Grantee and its successors and assigns, by, through, or under Grantor, but not otherwise. This Agreement and all of its terms, provisions, and obligations shall be covenants running with the land affected thereby and shall inure to the benefit of and be binding upon Grantor and Grantee and their respective heirs, executors, administrators, successors, and assigns.

EXECUTED and effective as of the       day of            20  .

GRANTOR(S):

By:

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared                 , known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this     day of                  20  .

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public in and for the State of Texas

                 (Print Name of Notary Public Here)

(c)  A property owner may negotiate for terms not required under Subsection (a) for an easement agreement or provided under Subsection (b) for a pipeline easement agreement. An entity and a property owner may, at any time:

(1)  agree to alter or omit a term required under Subsection (a) for an easement agreement or provided by Subsection (b) for a pipeline easement agreement; or

(2)  execute an instrument of conveyance that is different in some or all aspects than the pipeline easement agreement form provided by Subsection (b).

SECTION 3.04.  Section 21.014, Property Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a)  The judge of a court in which a condemnation petition is filed or to which an eminent domain case is assigned shall, not later than the 15th calendar day after the date the petition is filed, appoint three disinterested real property owners who reside in the county as special commissioners to assess the damages of the owner of the property being condemned and appoint two disinterested real property owners who reside in the county as alternate special commissioners. The judge appointing the special commissioners shall give preference to persons agreed on by the parties before the court appoints the special commissioners. The judge shall provide the names and contact information of the special commissioner and alternate special commissions to the parties. Each party shall have seven calendar days after the date of the order appointing the special commissioners [~~The judge shall provide each party a reasonable period~~] to strike one of the three special commissioners [~~appointed by the judge~~]. If a person fails to serve as a special commissioner or is struck by a party to the suit in accordance with this subsection, an alternate special commissioner shall serve as a replacement for the special commissioner based on the order that the alternate special commissioners are listed in the initial order of appointment [~~, the judge shall appoint a replacement~~].

(d)  In this section, "disinterested real property owner" means a real property owner who:

(1)  is not related to a party or the representative of a party by affinity within the second degree or by consanguinity within the third degree, as determined under Chapter 573, Government Code;

(2)  does not own property that an entity with eminent domain authority is currently attempting to acquire for public use; and

(3)  is not related by affinity within the second degree or by consanguinity within the third degree, as determined under Chapter 573, Government Code, to a person who has owned or currently owns property described by Subdivision (2).

SECTION 3.05.  Section 21.015(a), Property Code, is amended to read as follows:

(a)  The special commissioners in an eminent domain proceeding shall [~~promptly~~] schedule a hearing to occur not earlier than [~~for the parties at the earliest practical time but may not schedule a hearing to assess damages before~~] the 20th day or later than the 40th day after the date the special commissioners were appointed, unless otherwise agreed to by the parties. The special commissioners shall schedule a hearing for the parties at a place that is as near as practical to the property being condemned, ~~or~~ at the county seat of the county in which the proceeding is being held, or at the request of either party, by video-conferencing.

SECTION 3.06.  Section 21.016(d), Property Code, is amended to read as follows:

(d)  Notice may be served[~~:~~

[~~(1)~~] by delivering a copy of the notice to the party or to the party's agent or attorney or in any other manner provided by the Texas Rules of Civil Procedure for service of citation[~~;~~

[~~(2)  if the property being condemned belongs to a deceased's estate or to a minor or other legally disabled person and the person or estate has a legal representative, by delivering a copy of the notice to the legal representative; or~~

[~~(3)  if the property being condemned belongs to a nonresident of this state and there has been no personal service on the owner, if the identity or the residence of the property owner is unknown, or if the property owner avoids service of notice by hiding, by publication in the same manner as service of citation by publication in other civil cases in the district courts or county courts at law~~].

SECTION 3.07.  Chapter 21, Property Code, is amended by adding Subchapter B-1 to read as follows:

SUBCHAPTER B-1. IN-PERSON MEETING

Sec. 21.0301.  DEFINITION. In this subchapter, "in-person meeting" includes a meeting conducted by telephonic or video conferencing at the option of either the entity or landowner.

Sec. 21.0302.  APPLICABILITY TO CERTAIN ENTITIES. This subchapter does not apply to an entity that is required by law to participate or voluntarily participates in a public meeting or hearing regarding the exercise of the entity's eminent domain authority at the Public Utility Commission of Texas or to an entity that holds a public meeting as part of the entity's regulatory or condemnation process.

Sec. 21.0303.  METHOD OF NOTICE. Notice may be given under this subchapter by:

(1)  mailing the notice to the property owner listed for the property on the most recent tax roll for a taxing unit with authority to impose an ad valorem tax on the property, at the address for the property owner listed on the tax roll; or

(2)  any method authorized by Section 21.016(d).

Sec. 21.0304.  NOTICE TO PROPERTY OWNER. Before or at the time an entity with eminent domain authority makes an initial offer to a property owner to acquire a property interest for a project, the entity shall provide notice to the property owner of the property owner's right to request an in-person meeting with the entity to discuss the project.

Sec. 21.0305.  PROPERTY OWNER REQUEST FOR IN-PERSON MEETING. A property owner who receives notice from an entity under Section 21.0304 may request an in-person meeting with the entity. The property owner's request must be in writing and received by the entity not later than the seventh day after the date the property owner received the notice.

Sec. 21.0306.  SCHEDULING OF IN-PERSON MEETING. (a) On receipt of a request from a property owner under Section 21.0305 the entity shall propose not fewer than three different meeting times on three different meeting dates for the in-person meeting.

(b)  A meeting time proposed under Subsection (a) may not be earlier than the seventh day or later than the 30th day after the date the entity received the property owner's request.

(c)  A property owner who wishes to accept a proposed meeting time under this section must confirm acceptance in writing of the meeting time not later than the earlier of the:

(1)  third day before the proposed meeting time; or

(2)  seventh day after the date the property owner receives proposed meeting times from the entity.

Sec. 21.0307.  SATISFACTION OF BONA FIDE OFFER REQUIREMENT GENERALLY. An entity satisfies the requirements of this subchapter for purposes of Section 21.0113(b)(2) with respect to a property owner if the entity:

(1)  provides notice to the property owner as required by Section 21.0304 and the property owner does not timely request an in-person meeting under Section 21.0305;

(2)  proposes meeting times to the property owner as required by Section 21.0306 and the property owner:

(A)  does not timely confirm the property owner's preferred meeting time under that section; or

(B)  rejects the proposed meeting times; or

(3)  schedules a meeting with a property owner as required under Section 21.0306, whether or not the property owner participates in the meeting.

Sec. 21.0308.  SATISFACTION OF BONA FIDE OFFER REQUIREMENT: VOLUNTARY MEETING. Notwithstanding any other provision of this subchapter, an entity satisfies the requirements of this subchapter for purposes of Section 21.0113(b)(2) with respect to a property owner if:

(1)  the entity voluntarily initiates an in-person meeting with the property owner or with a group of affected property owners;

(2)  provides notice of the meeting to the property owner at least 14 days before the meeting; and

(3)  the meeting is held before a final offer is made to the property owner.

Sec. 21.0309.  EFFECT OF IN-PERSON MEETING ON TIMING OF FINAL OFFER. Notwithstanding any other provision of this subchapter, an entity that participates in an in-person meeting with a property owner may not make a final offer to the property owner earlier than the third day after the date of the in-person meeting unless the property owner agrees to an earlier date.

SECTION 3.08.  (a)  Sections 21.0112 and 21.0113, Property Code, as amended by this Act, and Section 21.0114 and Subchapter B-1, Chapter 21, Property Code, as added by this Act, apply only to the acquisition of real property in connection with an initial offer made on or after the effective date of this Act. An acquisition of real property in connection with an initial offer made before the effective date of this Act is governed by the law applicable to the acquisition immediately before that date, and that law is continued in effect for that purpose.

(b)  Sections 21.014, 21.015, and 21.016, Property Code, as amended by this Act, apply only to a condemnation proceeding commenced on or after the effective date of this Act. A condemnation proceeding commenced before the effective date of this Act is governed by the law applicable to the condemnation proceeding immediately before the effective date of this Act, and that law is continued in effect for that purpose.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01.  (a)  Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2022.

(b)  Sections 1.03 and 2.30 of this Act take effect September 1, 2021.