By: Burns

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A BILL TO BE ENTITLED 1 AN ACT 2 relating to the acquisition of real property by an entity with eminent domain authority; requiring an occupational license; 3 authorizing a fee; providing a civil penalty; imposing a criminal 4 5 penalty. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 6 ARTICLE 1. INFORMATION FOR LANDOWNERS 7 SECTION 1.01. Subchapter B, Chapter 402, Government Code, 8 9 is amended by adding Section 402.032 to read as follows: Sec. 402.032. OMBUDSMAN FOR LANDOWNERS; LANDOWNER'S BILL OF 10 RIGHTS. (a) The attorney general shall establish an ombudsman 11 office within the office of the attorney general for the purpose of 12 providing information to landowners whose real property may be 13 14 acquired by a governmental or private entity through the use of the entity's eminent domain authority. The attorney general shall 15 16 select the ombudsman. (b) The ombudsman shall provide information to and answer 17 questions from landowners described by Subsection (a), through the 18 attorney general's Internet website and a toll-free telephone 19 number established by the ombudsman, regarding: 20 21 (1) the landowner's bill of rights prescribed by 22 Subsection (c); and 23 (2) the procedures for acquiring real property through 24 the use of eminent domain authority under Chapter 21, Property

Code, or other law. (c) The attorney general shall provide notice 2 by 3 publication to all counties in the State of Texas and shall make available on the attorney general's Internet website a landowner's 4 5 bill of rights that is written in plain language designated to be easily understood by the average property owner and to read as 6 7 follows:

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The Texas Constitution gives state and local governments and 9 10 some private entities, such as utility or pipeline entities, the legal authority to acquire private property, or a partial interest 11 12 in private property, for public use. This authority is called the 13 power of eminent domain.

TEXAS LANDOWNER'S BILL OF RIGHTS

14 In most instances, the power of eminent domain is used to 15 acquire property to build large infrastructure projects that benefit all Texans, such as highways and roads, power lines, water, 16 17 oil and other common carrier pipelines, and gas utility pipelines, and flood control projects. The Texas Constitution does not allow 18 19 an entity to use the power of eminent domain exclusively, for private purposes, such as for real estate development or other 20 economic purposes. Entities authorized by law to exercise the 21 22 power of eminent domain must do so by following detailed procedures 23 found in Chapter 21 of the Texas Property Code or other Texas law. 24 An entity that wants to acquire your property for public use must 25 compensate you for it. 26

Private property rights are cherished by all Texas 27 landowners, and your rights are protected by the Texas Constitution

1 and the laws that govern the use of the power of eminent domain. If 2 you are approached by a public or private entity interested in 3 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 4 5 certain practical considerations that will help guide you in your 6 negotiations. 7 YOU HAVE A RIGHT TO ASK QUESTIONS. Who exactly wants the 8 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 9 10 or part of your property and what the entity plans to do with the 11 property. 12 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 13 advice from a trusted source, such as a family member, a fellow 14 15 property owner who has dealt with a similar situation, a real estate 16 professional who can help evaluate the property being sought, or an 17 attorney who can help you navigate the eminent domain process, if 18 that becomes necessary. 19 KNOW YOUR LEGAL RIGHTS AND FAMILIARIZE YOURSELF WITH THE PROCESS. An entity cannot acquire an interest in your property 20 without first providing you with a written offer to buy the 21 22 interest. You can expect to be given the financial basis for the offer. You may also request an in-person, remote or telephonic 23 24 meeting with the acquiring entity to discuss the project. You should receive the name and contact information of an employee of 25 26 the acquiring entity so you can ask questions. NEGOTIATE WITH THE ACQUIRING ENTITY. In the vast majority of 27

1 property acquisitions, the property owner and the acquiring entity 2 come to a voluntary agreement on the amount of compensation to be 3 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. 4 5 Keep in mind that an entity taking an easement or other partial interest in the property will want to maintain a good long-term 6 7 relationship with you, so it is beneficial for both parties to talk 8 about all the concerns and come to a mutual understanding before 9 signing the agreement. 10 WHAT HAPPENS IF YOU CANNOT REACH AN AGREEMENT? In some cases, the property owner and the acquiring entity simply can't come to an 11 12 agreement on the amount of compensation for the acquisition or the terms of the instrument that grants the acquiring entity the 13 property rights it seeks to acquire. In any such case, a panel of 14 15 three local landowners (called "special commissioners") will be appointed by a judge to decide how much compensation you are owed 16 17 for the property interest sought. The hearing is informal and does not require you to have a lawyer or other expert, such as an 18 19 appraiser, but you are free to have one or both. The panel also determines the amount of compensation for the reduction in value, 20 if any, to your remaining property as a result of the property 21 22 interest sought. WHAT HAPPENS IF YOU STILL AREN'T SATISFIED? If you don't

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23 <u>WHAT HAPPENS IF YOU STILL AREN'T SATISFIED?</u> If you don't 24 <u>believe the compensation awarded by the special commissioners is</u> 25 <u>adequate, of if you don't think the acquiring entity has the legal</u> 26 <u>authority to acquire the property, you may request a trial before a</u> 27 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 1 2 appraiser to make your case. In a very small number of cases, there 3 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 4 entity's authority to use eminent domain and determine whether the 5 project is for a "public use." If you disagree with the outcome in 6 the trial court, you can appeal the court's decision to a court of 7 8 appeals. 9 STILL HAVE QUESTIONS ABOUT THE EMINENT DOMAIN PROCESS? The 10 Office of the Attorney General has an Internet website at [insert Internet website address] and a toll-free number [insert telephone 11 12 number] where you can learn more. SECTION 1.02. Section 402.031, Government 13 Code, is 14 repealed. 15 SECTION 1.03. Not later than January 1, 2022, the office of 16 the attorney general shall: 17 (1) make the landowner's bill of rights statement provided by Section 402.032, Government Code, as added by this Act, 18 19 available on the attorney general's Internet website; and establish an ombudsman office for landowners as 20 (2) required by Section 402.032, Government Code, as added by this Act. 21 ARTICLE 2. ELIGIBILITY FOR RIGHT-OF-WAY AGENT CERTIFICATION 22 Section 1101.502(a), Occupations Code, is 23 SECTION 2.01. 24 amended to read as follows: Sec. 1101.502. ELIGIBILITY REQUIREMENTS FOR CERTIFICATE. 25 26 (a) To be eligible to receive a certificate of registration or a 27 renewal certificate under this subchapter, a person must [be]:

H.B. No. 902 1 (1)be at least 18 years of age; [and] 2 (2) be a citizen of the United States or a lawfully 3 admitted alien; and 4 (3) successfully complete the required courses of 5 study, including qualifying or continuing education requirements, prescribed by this subchapter. 6 7 SECTION 2.02. Section 1101.508, Occupations Code, is added 8 to read as follows: Sec. 1101.508. PROBATIONARY CERTIFICATE. (a) 9 The 10 commission may issue a probationary certificate. (b) The commission by rule shall adopt reasonable terms for 11 12 issuing a probationary certificate. SECTION 2.03. Section 1101.509, Occupations Code, is added 13 14 to read as follows: 15 Sec. 1101.509. QUALIFYING AND CONTINUING EDUCATION REQUIREMENTS. (a) The commission by rule shall approve coursework 16 17 that an applicant must successfully complete to be eligible for a certification or renewal certification under this subchapter. 18 (b) An applicant for a certification or renewal 19 certification shall submit evidence satisfactory to the commission 20 that the applicant has successfully completed at least 16 classroom 21 22 hours of coursework every two years approved by the commission in: (1) the law of eminent domain, including the rights of 23 24 property owners; 25 (2) appropriate standards of professionalism in 26 contacting and conducting negotiations with property owners; and 27 (3) ethical considerations in the performance of

1 right-of-way acquisition services.

2 SECTION 2.04. Section 1101.653, Occupations Code, is 3 amended to read as follows:

4 Sec. 1101.653. GROUNDS FOR SUSPENSION OR REVOCATION OF 5 CERTIFICATE. The commission may suspend or revoke a certificate of 6 registration issued under this chapter if the certificate holder:

7 (1) engages in dishonest dealing, fraud, unlawful8 discrimination, or a deceptive act;

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(3) acts in bad faith;

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(4) demonstrates untrustworthiness;

(2) makes a misrepresentation;

12 (5) fails to honor, within a reasonable time, a check 13 issued to the commission after the commission has mailed a request 14 for payment to the certificate holder's last known address 15 according to the commission's records;

16 (6) fails to provide to a party to a transaction a 17 written notice prescribed by the commission that:

18 (A) must be given before the party is obligated19 to sell, buy, lease, or transfer a right-of-way or easement; and

20 (B) contains:

(i) the name of the certificate holder;
(ii) the certificate number;
(iii) the certificate number;
(iii) the name of the person the
certificate holder represents;
(iv) a statement advising the party that

26 the party may seek representation from a lawyer or broker in the 27 transaction; and

1 (v) a statement generally advising the 2 party that the right-of-way or easement may affect the value of the 3 property;

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

8 (7) (8) disregards or violates this chapter or a 9 commission rule relating to certificate holders. SECTION 2.05. Not 10 later than December 1, 2021, the Texas Real Estate Commission shall 11 adopt rules necessary to implement the changes in law made by this 12 Act to Chapters 1101, Occupations Code.

SECTION 2.06. Chapter 1101, Occupations Code, as amended by 13 14 this Act, apply only to an original or renewal certificate of 15 registration as an easement or right-of-way agent for which an application was submitted on or after January 1, 2022. An original 16 17 renewal certificate of registration as an easement or or right-of-way agent for which an application was submitted before 18 January 1, 2022, is governed by the law in effect on the date the 19 application was submitted, and the former law is continued in 20 effect for that purpose. An applicant for an original easement or 21 right of way agent certificate of registration submitted on or 22 after January 1, 2022 will have until January 1, 2024 to complete 23 24 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:

An [Not later than the seventh day before the date a 1 (a) governmental or private entity with eminent domain authority makes 2 3 a final offer to a property owner to acquire real property, the entity must send by first class mail or otherwise provide a 4 5 landowner's bill of rights statement provided by Section 402.031, Government Code, to the last known address of the person in whose 6 name the property is listed the most recent tax roll of any 7 8 appropriate taxing unit authorized by law to levy property taxes against the property. In addition to the other requirements of this 9 10 subsection, an] entity with eminent domain authority shall provide a copy of the landowner's bill of rights statement prescribed by 11 Section 402.032, Government Code, to a landowner at or before the 12 first in-person contact unless the entity expressly states, at that 13 14 time, it will not seek to file a petition under this chapter before 15 or at the same time as the entity first represents in any manner to the landowner that the entity asserts, intends to assert, or 16 17 possesses eminent domain authority to acquire the landowner's For purposes of this subsection, 18 property for public use. in-person contact does not include contact conducted by telephonic 19 or video-conferencing. 20 21 SECTION 3.02. Section 21.0113, Property Code, is amended by

22 amending Subsection (b) to read as follows:

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

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

27 (A) a copy of the landowner's bill of rights

statement prescribed by Section 402.032, Government Code, unless 1 2 the entity has previously provided a copy of the statement to the 3 property owner; 4 (B) an offer of compensation in an amount equal 5 to or greater than one of the following: 6 (i) the market value of the property rights 7 sought to be acquired, based on an appraisal of the property prepared by a certified general appraiser licensed under Chapter 8 1103, Occupations Code; 9 10 (ii) the estimated price or market value of the property rights sought to be acquired based on data for at least 11 12 three comparable arm's-length sales of a property; (iii) the estimated price or market value 13 14 of the property rights sought to be acquired based on a comparative market analysis prepared by a real estate broker licensed under 15 Chapter 1101, Occupations Code, or a certified general appraiser 16 17 licensed under Chapter 1103, Occupations Code; (iv) the estimated price of the property 18 19 rights sought to be acquired based on a broker price opinion prepared by a real estate broker licensed under Chapter 1101, 20 21 Occupations Code; (v) the estimated market value of the 22 property rights sought to be acquired based on a market study 23 24 prepared by a real estate broker licensed under Chapter 1101, Occupations Code, or a certified general appraiser licensed under 25 26 Chapter 1103, Occupations Code; or 27 (vi) 150 percent of the per acre value for

each acre or part of an acre sought to be acquired, based on the 1 total land value for the whole property out of which the property 2 rights are sought to be acquired, as reflected in the most recent 3 tax rolls of the central appraisal district in which the property is 4 5 located; 6 (C) as applicable, the complete written report, 7 as prepared by the certified appraiser or real estate broker, that forms the basis for the amount of the offer of compensation under 8 Paragraph(B)(i), (iii), or (iv) or a brief written summary that 9 forms the basis for the amount of the offer of compensation under 10 Paragraph(B)(ii), (v), or (vi); 11 (D) an instrument of conveyance in accordance 12 with Section 21.0114, as applicable; and 13 (E) the name and telephone number of a 14 15 representative of the entity. Representative is defined as: 16 (i) an employee of the entity; 17 (ii) an employee of an affiliate providing services on behalf of the entity; 18 19 (iii) the legal representative; or (iv) in the case of an entity without 20 employees, an individual designated to represent the day-to-day 21 22 operations of the entity; (2) the entity satisfies the requirements 23 of 24 Subchapter B-1, as applicable; 25 (3) $\left[\frac{1}{2}\right]$ a final offer is made in writing to the 26 property owner; (4) $\left[\frac{3}{3}\right]$ the final offer is made on or after the 30th 27

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1 day after the date on which the entity makes a written initial offer
2 to the property owner;

3 (5) [(4)] before making a final offer, the entity 4 obtains a written appraisal <u>report</u> from a certified appraiser of 5 the value of the property <u>rights</u> being acquired and the damages, if 6 any, to any of the property owner's remaining property;

7 (6) [(5)] the final offer is equal to or greater than
8 the amount of the written appraisal report obtained by the entity;

9 <u>(7)</u> [(6)] the following items are included with the 10 final offer or have been previously provided to the owner by the 11 entity:

12 (A) a copy of the written appraisal <u>report</u>;

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

15 (C) the landowner's bill of rights statement 16 <u>required</u> [prescribed] by Section 21.0112; and

17 (8) [(7)] the entity provides the property owner with 18 at least 14 days to respond to the final offer and the property 19 owner does not agree to the terms of the final offer within that 20 period.

21 SECTION 3.03. Subchapter B, Chapter 21, Property Code, is 22 amended by adding Section 21.0114 to read as follows:

23 <u>Sec. 21.0114. TERMS REQUIRED FOR INSTRUMENT OF CONVEYANCE</u> 24 <u>OF EASEMENT. (a) Except as provided by Subsection (b), an</u> 25 <u>instrument of conveyance of an easement, that does not relate to an</u> 26 <u>oil, natural gas, oil product, or liquidified mineral pipeline,</u> 27 provided to a property owner under Section 21.0113 must include the

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1	following terms:
2	(1) the name of the grantor;
3	(2) the name of grantee;
4	(3) a description of the purpose of the easement;
5	(4) a description or illustration of the location of
6	the easement, including a metes and bounds or centerline
7	description, plat, or aerial or other map-based depiction of the
8	location of the easement on the property;
9	(5) a description of the types of improvements that
10	may be placed by the grantee within the easement, including whether
11	the type of improvement would be above or below the existing surface
12	of the land;
13	(6) a provision regarding the grantee's right, if any,
14	to install future improvements within the easement and to
15	reconstruct, remove, replace, or repair any grantee improvements;
16	(7) a provision regarding the grantor's retained
17	rights to use the land, if any;
18	(8) a provision regarding the grantor's right, if any,
19	to actual monetary damages for claims arising from the construction
20	and installation of each improvement to be installed in, on, or
21	under the easement, or a statement that the consideration for the
22	easement includes any monetary damages arising from the
23	construction and installation of each improvement to be installed
24	in, on, or under the easement;
25	(9) a provision regarding the grantor's right after
26	initial construction and installation of each improvement to be
27	installed in, on, or under the easement to actual monetary damages

1 arising from the repair, maintenance, inspection, replacement, 2 operation, or removal of each improvement to be installed in, on, or under the easement or a statement that the consideration for the 3 easement includes any monetary damages arising from the repair, 4 5 maintenance, inspection, replacement, operation, or removal of each improvement to be installed in, on, or under the easement; 6 7 (10) a provision regarding: 8 (A) the repair and restoration, to the extent reasonably practicable, of areas used or damaged by the grantee 9 10 outside the easement area to substantially the same condition as the original condition or better; or 11 12 (B) the payment of actual monetary damages for 13 areas not restored; and 14 (11) a provision describing the grantee's rights of 15 ingress, egress, entry, and access on, to, over, and across the easement and the grantor's adjoining property. 16 17 (b) An instrument of conveyance of an easement provided to a property owner under Section 21.0113, that relates to an oil, 18 natural gas, oil product, or liquidified mineral pipeline, must 19 include the following, in substantial form and content: 20 21 NOTICE OF CONFIDENTIALITY RIGHTS: YOU MAY REMOVE OR STRIKE ANY OR ALL OF YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE 22 NUMBER FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE 23 24 PUBLIC RECORDS. 25 PERMANENT EASEMENT AGREEMENT 26 This Permanent Easement Agreement (the "Agreement") is by and [Name in Bol<u>d], whose address is</u> 27 between

[insert Address NO Abbreviations], (hereinafter referred to as 1 , with offices at 2 "Grantor", whether one or more) and , and its successors and assigns (such entity and its 3 successors and assigns are collectively referred to as the 4 "Grantee"). For the consideration of TEN AND NO/100 Dollars 5 (\$10.00) and other good and valuable consideration, the receipt and 6 7 sufficiency of which are hereby acknowledged, Grantor does hereby GRANT, BARGAIN, SELL, and CONVEY unto Grantee a perpetual 8 non-exclusive free and unobstructed permanent pipeline easement 9 feet in width [or if it varies, describe], in order to, among 10 other rights described below, construct, operate, and maintain one 11 12 (1) pipeline [or if permanent pipeline easement is sought for more than one pipeline, specify in the instrument the number of 13 pipelines sought] not to exceed inches in nominal diameter 14 (whether one or more, the "Pipeline") and any appurtenant 15 facilities in, over, through, across, under, and along land owned 16 by the Grantor, said easement being described on the exhibit(s) 17 attached hereto and made part hereof (the "Permanent Pipeline 18 19 Easement"), and if described on the exhibit(s) attached hereto (i) a permanent exclusive surface site easement as described on the 20 exhibit(s) attached hereto for the purpose of erecting, laying, 21 constructing, maintaining, fencing, operating, repairing, 22 inspecting, replacing, protecting, altering, and removing [specify 23 in the instrument one or more of the following facilities sought to 24 be installed] both above and below the surface, pipelines, pipeline 25 26 gate valve(s), by-passes, cross-overs, loops, risers, vents, cables, meters, valves, cathodic protection, conduits, 27

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launching-receiving equipment/in-line pigging facilities, 1 2 alternating current mitigation equipment, electrical supply facilities, wires and poles, solar power facilities, generators, 3 treating and dehydration facilities, monitoring cameras, slug 4 catchers, compressors, pumps, radio and communications equipment 5 and facilities, measuring equipment and meter runs, and any other 6 7 appurtenances that may be necessary or desirable in connection therewith (the "Surface Site Easement"), (ii) a temporary or 8 permanent access easement as identified on the exhibit(s) hereto 9 10 on, over, through, across, and along Grantor's property, as more particularly described on the exhibit(s) hereto, for ingress and 11 12 egress by Grantee and its employees, designees, contractors, successors, and assigns, and all those acting by or on behalf of it, 13 for the unobstructed passage of persons, vehicles, equipment, 14 and/or machinery, together with the non-exclusive right to use any 15 existing roadway and/or to construct, protect, inspect, repair, 16 17 alter, reconstruct, restore, improve, maintain, and use a road, including ditches, culverts, drains, and such other appurtenant 18 facilities (the "Access Easement"), and (iii) a perpetual 19 non-exclusive free and unobstructed permanent easement 20 feet in width, for the purpose of erecting, laying, constructing, 21 maintaining, operating, repairing, inspecting, replacing, 22 protecting, altering, and removing power lines, poles and related 23 24 appurtenances to serve the Pipeline or appurtenances thereto (the 25 "Electric Line Easement").

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26 <u>Grantor does also hereby GRANT, BARGAIN, SELL, and CONVEY</u> 27 <u>unto Grantee temporary workspace and extra/additional temporary</u>

1 workspace, if any, as generally described in the exhibit(s) 2 attached hereto, in order to construct the Pipeline and any appurtenant facilities in, over, through, across, under, and along 3 the property and to restore the property as required under this 4 5 Agreement (the "Temporary Construction Easement") (The Permanent Pipeline Easement and Temporary Construction Easement, together 6 7 with the Surface Site Easement, the Access Easement and the Electic 8 Line Easement (to the extent described in the exhibit(s) hereto), are collectively referred to as the "Easements"). The term of the 9 10 Temporary Construction Easement and Access Easement (if identified as temporary on the exhibit(s) hereto) shall be for a period to 11 12 extend twenty-four (24) months from the date of construction commencement on <u>Grantor's property</u>. <u>However</u>, if <u>Grantee</u> has 13 completed its use of the Temporary Construction Easement or Access 14 15 Easement (if identified as temporary) prior to the expiration of said period, then the Temporary Construction Easement and such 16 Access Easement shall immediately terminate. All rights, duties, 17 and/or obligations arising by or under this Agreement shall only 18 19 apply to the Temporary Construction Easement and Access Easement (if identified as temporary) while same are in effect. 20 It is further agreed as follows: 21

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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,

1 improving, adding, altering, substituting, operating, maintaining, accessing, inspecting, patrolling, protecting, repairing, changing 2 3 the size of, relocating, and changing the route or routes of the Pipeline within the Permanent Easement and abandoning in place and 4 5 removing at will, in whole or in part, the Pipeline, for the transportation of [the instrument to specify one or more of the 6 7 following] oil, gas, oil products, liquefied minerals (including without limitation, condensate, whether obtained from oil or gas 8 wells, ethane, ethylene, propane, butane, isobutene, pentane, 9 natural gasoline, and other products derived from hydrocarbons), 10 crude petroleum, hydrocarbon gas liquids, or other mineral 11 12 solutions, together with above and below ground appurtenances as may be necessary or desirable for the operation of the Pipeline 13 over, across, under, and upon the Permanent Easement. 14

15 2. Minimum Burial Depth. At the time of initial construction, Grantee shall bury the Pipeline to a minimum depth of 16 thirty-six inches (36") below the surface of the ground and any then 17 existing drainage ditches, creeks, and roads, provided however at 18 19 those locations where rock is encountered, the Pipeline may be buried at a lesser depth. If the Pipeline crosses a river or other 20 large drainage feature or is intended to be placed above ground, the 21 22 Pipeline can be installed, where permitted by law, along a bridge, 23 or in above ground pipe racks or upon the surface, as permitted by 24 law. 25 3. Ingress and Egress. Grantee shall have the right of

25 <u>3. Ingress and Egress. Grantee shall have the right of</u> 26 ingress, egress, entry, and access in, to, through, on, over, 27 under, and across the Easements and where same intersect any public

1 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 2 3 any roads or routes as needed during an emergency, for any and all purposes necessary and/or incident to the exercise by the Grantee 4 5 of the rights granted to it by this Agreement. Grantee shall promptly repair any damage to Grantor's roads caused by Grantee in 6 the exercise of any rights granted in as good a condition as existed 7 8 prior to use by Grantee. 9 Lateral Support. Grantee shall have the right to select 4. 10 the exact location of the Pipeline within the Permanent Easement. Further, Grantee shall have the right to construct, maintain, and 11 12 change slopes of cuts and fills to ensure proper lateral and 13 subjacent support for and drainage for the Pipeline and appurtenant

14 facilities.

15 5. Damages. The consideration paid by Grantee in this 16 Agreement includes the market value of the Easements and including 17 without limitation any and all (i) damages resulting from the removal or clearing of any trees, shrubs, and other improvements or 18 obstructions within the Easements, (ii) damages resulting from 19 Grantee's digging and trenching operations within the Easements, 20 (iii) crop damages in connection with any farm lands located within 21 22 the Easements, (iv) damages to the remaining property, if any, as a 23 result of the granting of the Easements and the installation of the 24 Pipeline, including any diminution in value, if any, (v) damages to the Easements themselves by reason of the operation, maintenance, 25 26 repair, alteration, and/or servicing of the Pipeline after initial pipeline construction and remediation is completed, and (vi) 27

1 damages or claims resulting from the remediation performed by Grantee on Grantor's lands following initial construction, and 2 (vii) damages resulting from routine clearing of the permanent 3 Easements of obstructions and maintaining a line of sight along the 4 5 Easements. The initial consideration does not cover any damages which may accrue from time to time to Grantor's other lands outside 6 7 the Easements and Grantee shall pay Grantor for any and all other 8 such reasonable and actual damages promptly as they may accrue.

9 Fences. Grantee shall have the right to remove any fence 6. 10 that now crosses or may cross the Easements during initial construction of the Pipeline or thereafter. Prior to cutting any 11 12 fence, however, Grantee shall brace the existing fence to be cut adequately on both sides of the proposed cut by suitable H-braces to 13 prevent the remainder of the fence from sagging and shall promptly 14 15 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 16 enough to prevent livestock from passing through same, where 17 livestock is present. Upon completion of initial construction 18 19 operations, each wire gap will be removed and at Grantee's sole option replaced with (i) fencing of the same or better grade and 20 condition as existed before Grantee cut and gapped same or (ii) a 21 permanent gate, which gate shall, to the extent reasonably 22 practicable, be constructed out of similar or better grade 23 24 materials than already used for existing gates on the property. Each entry and exit gate shall be securely closed and locked, except 25 26 when Grantee or its authorized personnel are actually passing through same, and Grantor and Grantee shall each be entitled to 27

1 maintain their own lock in any such gate, such that Grantor and 2 Grantee shall each have the right of free passage through any such 3 gates. If Grantee fails to restore any fences or gates disturbed by 4 Grantee to the same or better grade and condition as existed before 5 Grantee disturbed same, Grantee shall pay Grantor the reasonable 6 costs to restore any such fences or gates to the same or better 7 grade and condition as existed before Grantee disturbed same.

8 7. Crossing Rights and Surface Limitations. Grantor may use the Easements for any and all purposes not inconsistent with the 9 10 purposes set forth in this Agreement; provided, however, that Grantor may not use any part of the Easements if such use may 11 12 damage, destroy, injure, and/or interfere with Grantee's use of the Easements for the purposes for which the Easements are being sought 13 by Grantee. Notwithstanding anything herein to the contrary, 14 Grantor is not permitted to conduct any of the following activities 15 on the Easements: (1) construct any temporary or permanent 16 17 building or site improvements; (2) drill or operate any well on the Easements; provided that a well can be directionally drilled under 18 19 the Easements subject to the terms for drilling set forth in Paragraph 9 below; (3) remove soil or change the grade or slope; (4) 20 impound surface water; or (5) plant trees or landscaping. Grantor 21 22 further agrees it may not cause above- or below-ground obstruction to interfere with the purposes for which this Agreement is being 23 24 acquired may be placed, erected, installed, or permitted upon the Easements without the prior written permission of Grantee. Grantor 25 26 and Grantor's heirs, successors, and assigns shall have the right, 27 after prior written notice to Grantee and review and approval by

1 Grantee thereof, to construct, reconstruct, and maintain streets, 2 sidewalks, roads or drives, road ditches, drainage ditches, and 3 utilities, near perpendicular but in no event at any angle of not less than forty-five (45) degrees to Grantee's Pipeline over and 4 5 across the Permanent Easement, provided that all of Grantee's required and applicable spacing and crossing guidelines, 6 7 including, without limitation, horizontal and vertical separation limits and other protective requirements, are met by Grantor at 8 Grantor's cost. In the event the terms of this paragraph are 9 10 violated, such violation shall immediately be corrected or eliminated by Grantor upon receipt of written notice from Grantee 11 12 or Grantee shall have the immediate right to correct or eliminate such violation at the sole risk and expense of Grantor. Grantor 13 shall promptly reimburse Grantee for any expenses or costs related 14 thereto. Further, Grantor will not hereafter interfere in any 15 16 manner with the purposes for which the Easements are conveyed, and 17 Grantee shall have the right to remove any improvement, facility, or structure that interferes with the purposes for which the 18 19 Easements are granted or which may endanger or interfere with the efficiency, safety, or convenient operation and maintenance of the 20 Pipeline and appurtenant facilities and which is installed by 21 22 Grantor subsequent to the date that Grantee acquires possession of 23 the Easements, without liability for damages and at Grantor's cost. 24 Grantor agrees that Grantee will not be liable to repair, replace or 25 be liable for the cost of repair or replacement of any of Grantor's 26 above or below ground obstructions installed by virtue of this 27 paragraph as a result of Grantee's use of the Easements.

1 8. Mowing/Clearing. Grantee has the right, from time to 2 time without paying any damages to Grantor, to mow the Permanent Easement and to trim or cut down or eliminate from the Easements 3 trees or shrubbery, in the sole judgment of Grantee and its 4 successors and assigns, as may be necessary to install the Pipeline 5 and thereafter on the Permanent Easement to prevent possible 6 7 interference with the operation and maintenance of the Pipeline and to remove possible hazard thereto. All trees and brush removed 8 during construction and other debris generated during construction 9 shall be burned and/or chipped and spread on the Easements or 10 removed to an appropriate disposal site. The method of disposal 11 12 shall be selected by Grantee.

9. Oil and Gas. To the extent of its authority over the 13 mineral estate, Grantor shall retain all the oil, gas, and other 14 15 minerals in, on, and under the Easements; provided, however, that Grantor, to the extent of its authority over the mineral estate, 16 17 shall not be permitted to drill or operate equipment for the production or development of minerals on the Easements, but it will 18 19 be permitted to extract the oil and other minerals from and under the Easements by directional drilling and other means, provided the 20 drill bit enters the Easements at a subsurface depth of one hundred 21 22 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 23 24 Easements for the purposes for which the Easements are being sought 25 by Grantee.

26 <u>10. Pipeline Installation and Grading. Grantee will,</u>
 27 <u>insofar as reasonably practicable, level, re-grade, and reseed the</u>

1 ground disturbed by Grantee's use of the Easements and will 2 maintain the Easements clean of all litter and trash gererated by Grantee during periods of construction, operation, maintenance, 3 repair, or removal. All construction debris shall be cleaned up and 4 removed from Grantor's lands upon completion of installation and 5 construction of the Pipeline, associated equipment, and 6 7 appurtenances thereto. During the initial construction, the 8 trenching (but not installation by horizontal directional drilling or underground boring) in areas of Grantor's lands that are 9 10 currently being used for growing commercial crops or purposefully fallowed for a period of time not to exceed the lesser of five years 11 12 or the number of consecutive years such land was used for growing commercial crops prior to being fallow, shall be done in such a 13 manner so that at least twelve inches (12") of top soil (or the 14 amount of top soil present if less than twelve inches (12") exists) 15 will be separated from the balance of the dirt removed in making the 16 17 ditch or trench for installation of the Pipeline. In backfilling after installation of the Pipeline, the topsoil so first removed 18 19 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. 20 11. Use Limitations. Grantee shall use the Easements solely 21 for the purposes specified in this Agreement. There shall be no 22 hunting or fishing on the Easements or any of Grantor's lands by 23 24 Grantee or its officers, agents, employees, contractors, invitees,

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26 <u>equipment shall be taken on the Easements by Grantee or its</u>27 officers, agents, employees, contractors, invitees, guests, or

25

guests, or representatives at any time. No firearms or fishing

1 representatives at any time.

2 12. Above Ground Appurtenances. Except for facilities 3 located on the Surface Site Easement and Electric Line Easement(if identified and included in the exhibit(s) hereto), Grantee shall 4 5 not place any above ground appurtenances on the Permanent Pipeline Easement except for pipeline markers and cathodic protection units, 6 7 cathodic test leads, alternating current mitigation equipment, and/or other cathodic protection appurtenances, necessary to 8 monitor and control potential corrosion, including, without 9 limitation, decouplers, pedestals, rectifiers, electric lines, 10 electrical facilities, electric meters, junction boxes, anodes, 11 12 wires, poles, ground beds, fencing, bollards, grounding systems, and any other appurtenances necessary for cathodic protection or 13 corrosion control, if necessary for the operation of the Pipeline, 14 as determined by Grantee in its sole discretion, and except for 15 [describe other above ground appurtenances, if any, which will be 16 17 installed within the Permanent Pipeline Easement]. Grantee shall use reasonable efforts to place such above ground signage and 18 19 cathodic protection facilities at the junction of the Permanent Pipeline Easement and fence lines, property lines, pipeline 20 crossings, river or creek crossings, or road crossings, provided 21 however, Grantee shall have the right to place same at any other 22 location required by applicable law, regulation, or rule on 23 24 Grantor's property. 13. Indemnity. GRANTEE SHALL DEFEND WITH COUNSEL OF 25

26 <u>GRANTEE'S CHOICE, INDEMNIFY, PROTECT, AND HOLD HARMLESS GRANTOR,</u> 27 <u>GRANTOR'S HEIRS, SUCCESSORS, ASSIGNS AND RELATED OR AFFILIATED</u>

1 ENTITIES (THE "INDEMNIFIED PARTIES"), FROM ANY AND ALL LIENS, CLAIMS, DEMANDS, COSTS (INCLUDING BUT NOT LIMITED TO REASONABLE 2 ATTORNEYS' FEES), EXPENSES, DAMAGES, LOSSES, AND CAUSES OF ACTION 3 FOR DAMAGES ASSERTED BY PERSONS OR ENTITIES UNAFFILIATED WITH THE 4 5 INDEMNIFIED PARTIES BECAUSE OF INJURY TO PERSONS (INCLUDING DEATH) AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS TO 6 7 THE EXTENT CAUSED BY GRANTEE'S NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR STRICT LIABILITY. 8 14. Tenants. Grantor hereby identifies the following as 9 people or entities having a lease, sublease, or other possessory 10 interest in Grantor's property: 11 12 13 14 15 (If this paragraph is left blank, then Grantor represents 16 17 there are no such persons or entities.) 18 15. Counterparts. This Agreement may be executed in several

19 counterparts, each of which shall be an original of this Agreement 20 but all of which, when delivered and taken together, shall 21 constitute one and the same Agreement and be binding upon the 22 parties who executed any counterpart, regardless of whether it is 23 executed by all parties named herein.

24 <u>16. Assignability. Grantee shall have the right to assign</u> 25 <u>this grant in whole or in part, in which event Grantor acknowledges</u> 26 <u>and agrees that the assignee shall succeed to the rights and</u> 27 <u>obligations of Grantee to the extent conveyed in such assignment,</u>

and Grantee shall be relieved of obligations with respect to the
 assigned interest which accrue after the date of assignment.

3 17. Integration Clause. This Agreement constitutes the 4 entire agreement and supersedes any and all prior oral 5 understandings and agreements, if any, concerning the subject of this Agreement. Grantor confirms and agrees that Grantor has been 6 7 made no promise or agreement by Grantee or any agent of Grantee 8 (which is not expressed or referenced specifically within this Agreement) in executing this Agreement, that Grantor is not relying 9 10 upon any statement or representation of Grantee or any agent of Grantee and that Grantor's execution of this Agreement is free and 11 12 voluntary. This Agreement may not be modified or amended except on or after the date hereof except by a writing signed by the party 13 against whom said modification or amendment is to be enforced and no 14 party shall be liable or bound to any other party in any manner 15 except as specifically set forth herein. 16

17 <u>18. Disclaimer. NEITHER PARTY HAS RELIED UPON AND HEREBY</u>
 18 EXPRESSLY DISCLAIMS RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS,
 19 INFORMATION, OR MATERIALS PROVIDED, SUPPLIED, OR FURNISHED BY THE
 20 OTHER PARTY OR OTHERWISE MADE AVAILABLE BY EITHER PARTY IN THE
 21 PUBLIC DOMAIN OR OTHERWISE (OTHER THAN THOSE MADE IN THIS
 22 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

1	defend said Easements unto Grantee and its successors and assigns,				
2	by, through, or under Grantor, but not otherwise. This Agreement				
3	and all of its terms, provisions, and obligations shall be				
4	covenants running with the land affected thereby and shall inure to				
5	the benefit of and be binding upon Grantor and Grantee and thei				
6	respective heirs, executors, administrators, successors, and				
7	assigns.				
8	EXECUTED and effective as of the day of				
9	<u>20</u> .				
10	GRANTOR(S):				
11	By:				
12	ACKNOWLEDGEMENT				
13	STATE OF TEXAS				
14	COUNTY OF				
15	BEFORE ME, the undersigned authority, on this day personally				
16	appeared , known to me to be the person whose name				
17	is subscribed to the foregoing instrument and acknowledged to me				
18	that he/she executed the same for the purposes and consideration				
19	therein expressed.				
20	GIVEN UNDER MY HAND AND SEAL OF OFFICE this day of				
21	20 .				
22					
23	Notary Public in and for the State of Texas				
24	(Print Name of Notary Public Here)				
25	(c) A property owner may negotiate for terms not required				
26	under Subsection (a) for an easement agreement or provided under				
27	Subsection (b) for a pipeline easement agreement. An entity and a				

1 property owner may, at any time:

2 (1) agree to alter or omit a term required under 3 Subsection (a) for an easement agreement or provided by Subsection 4 (b) for a pipeline easement agreement; or

5 (2) execute an instrument of conveyance that is 6 different in some or all aspects than the pipeline easement 7 agreement form provided by Subsection (b).

8 SECTION 3.04. Section 21.014, Property Code, is amended by 9 amending Subsection (a) and adding Subsection (d) to read as 10 follows:

11 The judge of a court in which a condemnation petition is (a) 12 filed or to which an eminent domain case is assigned shall, not later than the 15th calendar day after the date the petition is 13 filed, appoint three disinterested real property owners who reside 14 in the county as special commissioners to assess the damages of the 15 owner of the property being condemned and appoint two disinterested 16 17 real property owners who reside in the county as alternate special The judge appointing the special commissioners 18 commissioners. shall give preference to persons agreed on by the parties before the 19 court appoints the special commissioners. The judge shall provide 20 the names and contact information of the special commissioner and 21 22 alternate special commissions to the parties. Each party shall have seven calendar days after the date of the order appointing the 23 special commissioners [The judge shall provide each party a 24 25 reasonable period] to strike one of the three special commissioners 26 [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 27

1 this subsection, an alternate special commissioner shall serve as a replacement for the special commissioner based on the order that 2 the alternate special commissioners are listed in the initial order 3 of appointment [, the judge shall appoint a replacement]. 4 (d) In this section, "disinterested real property owner" 5 means a real property owner who: 6 7 (1) is not related to a party or the representative of 8 a party by affinity within the second degree or by consanguinity within the third degree, as determined under Chapter 573, 9 10 Government Code; (2) does not own property that an entity with eminent 11 12 domain authority is currently attempting to acquire for public use; 13 and 14 (3) is not related by affinity within the second 15 degree or by consanguinity within the third degree, as determined under Chapter 573, Government Code, to a person who has owned or 16 currently owns property described by Subdivision (2). 17 SECTION 3.05. Section 21.015(a), Property Code, is amended 18 19 to read as follows: special commissioners 20 (a) The in an eminent domain proceeding shall [promptly] schedule a hearing to occur not earlier 21 than [for the parties at the earliest practical time but may not 22 schedule a hearing to assess damages before] the 20th day or later 23 24 than the 40th day after the date the special commissioners were appointed, unless otherwise agreed to by the parties. The special 25 26 commissioners shall schedule a hearing for the parties at a place that is as near as practical to the property being condemned, or at 27

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1 the county seat of the county in which the proceeding is being held, or at the request of either party, by video-conferencing. 2 SECTION 3.06. Section 21.016(d), Property Code, is amended 3 to read as follows: 4 5 (d) Notice may be served [+ [(1)] by delivering a copy of the notice to the party or 6 7 to the party's agent or attorney or in any other manner provided by 8 the Texas Rules of Civil Procedure for service of citation [+ [(2) if the property being condemned belongs to a 9 10 deceased's estate or to a minor or other legally disabled person and the person or estate has a legal representative, by delivering a 11 12 copy of the notice to the legal representative; or [(3) if the property being condemned belongs to a 13 14 nonresident of this state and there has been no personal service on 15 the owner, if the identity or the residence of the property owner 16 unknown, or if the property owner avoids service of notice 17 hiding, by publication in the same manner as service of citation publication in other civil cases in the district courts or county 18 19 courts at law]. SECTION 3.07. Chapter 21, Property Code, is amended by 20 adding Subchapter B-1 to read as follows: 21 SUBCHAPTER B-1. IN-PERSON MEETING 22 Sec. 21.0301. DEFINITION. In this subchapter, "in-person 23 24 meeting" includes a meeting conducted by telephonic or video conferencing at the option of either the entity or landowner. 25 26 Sec. 21.0302. APPLICABILITY TO CERTAIN ENTITIES. This subchapter does not apply to an entity that is required by law to 27

H.B. No. 902 1 participate or voluntarily participates in a public meeting or 2 hearing regarding the exercise of the entity's eminent domain authority at the Public Utility Commission of Texas or to an entity 3 that holds a public meeting as part of the entity's regulatory or 4 5 condemnation process. 6 Sec. 21.0303. METHOD OF NOTICE. Notice may be given under 7 this subchapter by: 8 (1) mailing the notice to the property owner listed for the property on the most recent tax roll for a taxing unit with 9 10 authority to impose an ad valorem tax on the property, at the address for the property owner listed on the tax roll; or 11 12 (2) any method authorized by Section 21.016(d). Sec. 21.0304. NOTICE TO PROPERTY OWNER. Before or at the 13 time an entity with eminent domain authority makes an initial offer 14 15 to a property owner to acquire a property interest for a project, the entity shall provide notice to the property owner of the 16 17 property owner's right to request an in-person meeting with the entity to discuss the project. 18 19 Sec. 21.0305. PROPERTY OWNER REQUEST FOR IN-PERSON MEETING. A property owner who receives notice from an entity under Section 20 21.0304 may request an in-person meeting with the entity. The 21 22 property owner's request must be in writing and received by the entity not later than the seventh day after the date the property 23 24 owner received the notice. Sec. 21.0306. SCHEDULING OF IN-PERSON MEETING. (a) On 25 26 receipt of a request from a property owner under Section 21.0305 the

entity shall propose not fewer than three different meeting times

1	on three different meeting dates for the in-person meeting.
2	(b) A meeting time proposed under Subsection (a) may not be
3	earlier than the seventh day or later than the 30th day after the
4	date the entity received the property owner's request.
5	(c) A property owner who wishes to accept a proposed meeting
6	time under this section must confirm acceptance in writing of the
7	meeting time not later than the earlier of the:
8	(1) third day before the proposed meeting time; or
9	(2) seventh day after the date the property owner
10	receives proposed meeting times from the entity.
11	Sec. 21.0307. SATISFACTION OF BONA FIDE OFFER REQUIREMENT
12	GENERALLY. An entity satisfies the requirements of this subchapter
13	for purposes of Section 21.0113(b)(2) with respect to a property
14	owner if the entity:
15	(1) provides notice to the property owner as required
16	by Section 21.0304 and the property owner does not timely request an
17	in-person meeting under Section 21.0305;
18	(2) proposes meeting times to the property owner as
19	required by Section 21.0306 and the property owner:
20	(A) does not timely confirm the property owner's
21	preferred meeting time under that section; or
22	(B) rejects the proposed meeting times; or
23	(3) schedules a meeting with a property owner as
24	required under Section 21.0306, whether or not the property owner
25	participates in the meeting.
26	Sec. 21.0308. SATISFACTION OF BONA FIDE OFFER REQUIREMENT:
27	VOLUNTARY MEETING. Notwithstanding any other provision of this

1	subchapter	, an entity satisfies the requirements of this subchapter	
2	for purpos	es of Section 21.0113(b)(2) with respect to a property	
3	owner if:		
4	(1)	the entity voluntarily initiates an in-person meeting	
5		with the property owner or with a group of affected	
6		property owners;	
7	(2)	provides notice of the meeting to the property owner at	
8		least 14 days before the meeting; and	
9	(3)	the meeting is held before a final offer is made to the	
10		property owner.	
11	Sec.	21.0309. EFFECT OF IN-PERSON MEETING ON TIMING OF	
12	FINAL OFF	ER. Notwithstanding any other provision of this	
13	subchapter	, an entity that participates in an in-person meeting	
14	with a property owner may not make a final offer to the property		
15	owner earlier than the third day after the date of the in-persor		
16	meeting un	less the property owner agrees to an earlier date.	
17	SECT	ION 3.08. (a) Sections 21.0112 and 21.0113, Property	
18	Code, as a	mended by this Act, and Section 21.0114 and Subchapter	

18 Code, as amended by this Act, and Section 21.0114 and Subchapter 19 B-1, Chapter 21, Property Code, as added by this Act, apply only to 20 the acquisition of real property in connection with an initial 21 offer made on or after the effective date of this Act. An 22 acquisition of real property in connection with an initial offer 23 made before the effective date of this Act is governed by the law 24 applicable to the acquisition immediately before that date, and 25 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

1 commenced on or after the effective date of this Act. A
2 condemnation proceeding commenced before the effective date of this
3 Act is governed by the law applicable to the condemnation
4 proceeding immediately before the effective date of this Act, and
5 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

10 1, 2021.