

Legislative Analysis



NO LOCAL CONSENT NEEDED FOR PIPELINES AND OTHER UTILITY LINES AND STRUCTURES

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House Bill 6314

Sponsor: Rep. Joseph Rivet

Committee: Energy and Technology

Complete to 11-5-04

A SUMMARY OF HOUSE BILL 6314 AS INTRODUCED 11-4-04

The bill would amend Public Act 368 of 1925 to allow certain utilities to construct and maintain utility lines and structures, including pipelines, longitudinally within limited access highway rights-of-way without the consent of the governing body of the city, village, or township. (The underlined phrases would be new language added by the bill to the current law.)

The utility would have to comply with standards approved by the State Transportation Commission and the Michigan Public Service Commission that conform to federal laws and regulations.

The bill cites the definition of "utility" in the federal Code of Federal Regulations [CFR 645.105(m)], which refers to a privately, publicly, or cooperatively owned line, facility or system for producing, transmitting, or distributing communications, cable television, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected with highway drainage, or any other similar commodity, including any fire or police signal system or street lighting system, which directly or indirectly serves the public. The term also includes the utility company inclusive of any wholly owned or controlled subsidiary.

MCL 247.183

FISCAL IMPACT:

There is potential, but indeterminate, additional litigation cost for both the State of Michigan and various local units of government whenever the local unit of government opposes the construction of new pipelines, or other utility lines and structures. According to the Lansing State Journal, the City of Lansing has spent about \$162,000 in legal fees over a three-year period to prevent the Wolverine Pipeline Co. from constructing an oil pipeline along four miles of I-96 within its borders. The city contends that the proposed pipeline would endanger the water supply and residents' safety, and both the Michigan Court of Appeals and the Michigan Supreme Court have upheld Lansing's denial of pipeline construction approval. There may be other costs accruing to either the State of

Michigan or local units of government for public water and safety, but these amounts are also impossible to estimate.

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