

STATE OF IOWA
KIM REYNOLDS
GOVERNOR

June 11, 2025

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit House File 639, an Act relating to hazardous liquid pipelines, including common carrier requirements, proceedings under the Iowa utilities commission, including commission member attendance at hearings and informational meetings, including allowing certain persons to intervene in such proceedings, including sanctions on intervenors in contested cases, and permit, permit renewal, and operation limitations, and including effective date and applicability provisions.

Reasonable people can—and do—disagree about when government, or a private company acting with government approval, should be allowed to take private land. That debate is as old as the Republic. At its core, it asks how we protect individual property rights while still building the infrastructure—roads, utilities, pipelines—that modern life depends on.

I respect both sides of that debate. I've consistently said that if eminent domain is used, it must be rare, fair, and a last resort.

But HF 639 isn't just about eminent domain. It goes much further—and in doing so, sets a troubling precedent that threatens Iowa's energy reliability, economy, and reputation as a place where businesses can invest with confidence.

For example, the bill would block a major pipeline project that uses only voluntary easements. Southwest Iowa Renewable Energy (SIRE) is in the final stages of connecting to a CO₂ pipeline with not a single acre condemned. Yet new insurance mandates and an arbitrary 25-year limit that HF 639 places on CO₂ pipelines would effectively kill the project—despite the millions that have already been spent on its development. There is

no clear or logical basis for that time limit—and it would make it difficult for companies like SIRE to justify the additional investment.

I understand this was not the intent. Those who crafted the bill said they don't want to stop CO₂ pipelines that rely entirely on voluntary agreements. But that is exactly what the bill does. For that reason alone, I cannot sign it.

Proponents of the bill have also voiced safety concerns about CO₂ pipelines. I raised those same concerns with the Trump Administration's Pipeline and Hazardous Materials Safety Administration (PHMSA) under the Department of Transportation, which "oversees the safety of roughly 5,300 miles of CO₂ pipelines that have been in operation for decades." PHMSA assured me that CO₂ pipelines are subject to "robust regulations" and "have an excellent safety performance record." In the last 20 years, there has only been "one serious incident and no fatalities," and the "one serious incident was the result of third party damage and was not related to pipeline operations." (PHMSA letter enclosed).

But more broadly, the bill affects more than just CO₂ infrastructure. It applies to all "hazardous liquid pipelines," changing permitting rules across the board and injecting uncertainty into critical energy projects. That includes oil, gas, and fertilizer pipelines — the very systems that heat Iowa homes and power Iowa farms.

While I share the bill's goal of protecting landowners, good policy should draw clear, careful lines. This bill doesn't. It combines valid concerns with vague legal standards and sweeping mandates that reach far beyond their intended targets.

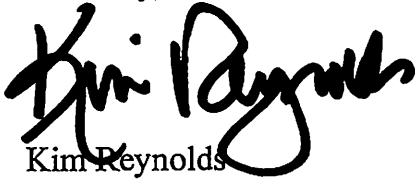
Iowa leads the nation in biofuels. We are at the forefront of turning corn into low-carbon energy— a leadership position we risk losing if we block the infrastructure that makes it possible. Other Midwestern states, like Nebraska, Illinois, and North Dakota are already moving forward with carbon-capture projects that would put Iowa at a competitive disadvantage if this bill became law.

That said, this debate has highlighted areas where real progress is possible. I agree we can do more to limit the use of eminent domain, promote transparency, and ensure responsible land restoration. While HF 639 includes a few helpful provisions, the legislature debated—and ultimately declined—to adopt others that would have delivered meaningful reform.

We can do better. And I'm committed to working with the legislature to strengthen landowner protections, modernize permitting, and respect private property. In the meantime, though, I will ask the Iowa Utilities Commission to implement two important improvements immediately: requiring all commissioners to be present for live testimony, and ensuring that at least one commissioner attends every informational meeting. These changes—drawn from HF 639—will improve oversight and transparency now, without the need for new legislation.

For these reasons, I must respectfully disapprove House File 639 in its entirety.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Reynolds", written in a cursive style.

Kim Reynolds
Governor of Iowa

cc: Secretary of the Senate
Clerk of the House



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

June 9, 2025

The Honorable Kim Reynolds
Governor of Iowa
Iowa State Capitol
1007 East Grand Avenue
Des Moines, IA 50319

Dear Governor Reynolds:

Thank you for your letter regarding carbon dioxide (CO₂) pipeline safety. I appreciate your interest in this important topic and your concern for Iowans.

The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) administers a national regulatory safety program for the approximately 3.3 million miles of pipelines in the United States, including CO₂ pipelines. The Pipeline Safety Act authorizes PHMSA to regulate the transportation of gas, hazardous liquids, and CO₂ by pipeline. PHMSA regulations govern design, construction, operation, maintenance, emergency response, personnel qualifications, public awareness, reporting, and many other functions related to the safe operation of pipelines.

The pipeline projects proposed in Iowa would transport CO₂ in a supercritical state, which means a fluid phase consisting of more than 90 percent compressed CO₂ molecules. Title 49 Part 195 of the Code of Federal Regulations contains robust regulations for such pipelines. The CO₂ pipelines proposed in Iowa would be governed by the full set of PHMSA safety regulations contained in Part 195 and subject to Federal safety inspections and oversight.

PHMSA currently oversees the safety of roughly 5,300 miles of CO₂ pipelines that have been in operation for decades. These pipelines have an excellent safety performance record. PHMSA's CO₂ accident data indicate one serious incident and no fatalities in the last 20 years. PHMSA considers a serious incident as one that results in fatality or injury requiring in-patient hospitalization. The one serious incident was the result of third party damage and was not related to pipeline operations.

Your letter addressed a CO₂ pipeline release that occurred on February 22, 2020 near Satartia, Mississippi. PHMSA's investigation found this event was due to an unusual combination of factors. The rupture was caused by land movement at a steep embankment following heavy rains. Weather conditions and unique topography prevented the CO₂ vapor from rapidly dispersing as it would ordinarily, and poor communication between the pipeline operator and local responders complicated the emergency response. Although numerous individuals were taken to the hospital, only one was admitted and for reasons unrelated to the pipeline failure.

PHMSA's investigation also found that the pipeline operator violated several regulations. As part of a Consent Agreement and Order, the operator paid \$2,868,100 in civil penalties and agreed to take numerous corrective actions. PHMSA subsequently issued an advisory bulletin to all pipeline operators reminding them of their responsibilities to monitor for, and address, earth movement and other geological hazards in proximity to their facilities.

CO₂ pipelines have an overall robust safety track record. Over the last five years, CO₂ pipelines have had an average reportable accident per thousand-mile rate of 0.88, lower than the general hazardous liquid pipeline reportable accident rate of 1.46.

Thank you for taking the time to contact PHMSA about this important topic. Please let me know if you require additional information, or have your staff contact Emily Wong, Director of Governmental, International, and Public Affairs, by phone at 202-366-4831 or by e-mail at emily.wong@dot.gov.

Sincerely,

A handwritten signature in black ink that reads "Ben Kochman". The signature is fluid and cursive, with the first name "Ben" being larger and more prominent than the last name "Kochman".

Ben Kochman
Acting Administrator



House File 639

AN ACT

RELATING TO HAZARDOUS LIQUID PIPELINES, INCLUDING COMMON CARRIER REQUIREMENTS, PROCEEDINGS UNDER THE IOWA UTILITIES COMMISSION, INCLUDING COMMISSION MEMBER ATTENDANCE AT HEARINGS AND INFORMATIONAL MEETINGS, INCLUDING ALLOWING CERTAIN PERSONS TO INTERVENE IN SUCH PROCEEDINGS, INCLUDING SANCTIONS ON INTERVENORS IN CONTESTED CASES, AND PERMIT, PERMIT RENEWAL, AND OPERATION LIMITATIONS, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 6A.21, subsection 1, Code 2025, is amended to read as follows:

1. Except as otherwise provided, for purposes of this chapter and chapter 6B:

a. "Aboveground merchant line" means "merchant line" as defined in section 478.6A, subsection 1, excluding those merchant lines that are underground.

b. "Agricultural land" means real property owned by a person in tracts of ten acres or more and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, and that has been used for the production of agricultural commodities during three out of the past five years. Such use of property includes, but is not limited to, the raising, harvesting, handling, drying, or storage of crops used for feed, food, seed, or fiber; the care or feeding of livestock; the handling or transportation

of crops or livestock; the storage, treatment, or disposal of livestock manure; and the application of fertilizers, soil conditioners, pesticides, and herbicides on crops. Agricultural land includes land on which is located farm residences or outbuildings used for agricultural purposes and land on which is located facilities, structures, or equipment for agricultural purposes. Agricultural land includes land taken out of agricultural production for purposes of environmental protection or preservation.

c. "Commodity" means a product that is used by an individual consumer or is used to produce a product used by an individual consumer.

d. "Common carrier" means a commercial enterprise that holds itself out as ready to engage in the transportation of goods or passengers for hire, as a public employment, and not as a casual occupation, and that undertakes to carry for all persons indifferently, within the limits of the enterprise's capacity and the sphere of business required of it. For a carrier engaged in the transportation of a hazardous liquid to qualify as a common carrier, the carrier must establish by clear and convincing evidence that it will transport a commodity for one or more shippers not affiliated with the carrier who will either retain ownership of the commodity or sell the commodity to a party other than the carrier. A common carrier determination by the federal energy regulatory commission shall be controlling for purposes of this paragraph.

~~e.~~ e. "Private development purposes" means the construction of, or improvement related to, recreational trails, recreational development paid for primarily with private funds, aboveground merchant lines, housing and residential development, or commercial or industrial enterprise development.

~~d.~~ f. "Public use" or "public purpose" or "public improvement" does not include the authority to condemn agricultural land for private development purposes unless the owner of the agricultural land consents to the condemnation.

Sec. 2. Section 6A.24, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding subsection 3, an

acquiring agency proposing to acquire property by eminent domain pursuant to a grant under chapter 479B shall have the burden of establishing by clear and convincing evidence that the proposed use meets the definition of a public use, public purpose, or public improvement.

Sec. 3. Section 476.33, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 5. For hearings initiated under this chapter, all members of the commission shall be present during any live testimony. If at any point during live testimony at a hearing not all members are available for any reason, the meeting shall pause until all members of the commission return.

Sec. 4. Section 478.2, subsection 2, paragraph a, Code 2025, is amended to read as follows:

a. A member of the commission, the counsel of the commission, or a presiding officer designated by the commission shall serve as the presiding officer at each meeting, shall present an agenda for such meeting, which shall include a summary of the legal rights of the affected landowners, and shall distribute and review the statement of individual rights required under section 6B.2A, subsection 1. At least one member of the commission shall attend each informational meeting. If at any point during the meeting no member of the commission is available for any reason, the meeting shall pause until at least one member of the commission returns. A formal record of the meeting shall not be required.

Sec. 5. NEW SECTION. 478.34 Hearing — commission member attendance.

All hearings initiated under this chapter shall follow the attendance rules governing commission members as provided in section 476.33, subsection 5.

Sec. 6. Section 479.5, subsection 3, paragraph a, Code 2025, is amended to read as follows:

a. A pipeline company shall hold informational meetings in each county in which real property or property rights will be affected at least thirty days prior to filing the petition for a new pipeline. A member of the commission or a person designated by the commission shall serve as the presiding officer at each meeting, shall present an agenda for the

meeting, which shall include a summary of the legal rights of the affected landowners, and shall distribute and review the statement of individual rights required under section 6B.2A. At least one member of the commission shall attend each informational meeting. If at any point during the meeting no member of the commission is available for any reason, the meeting shall pause until at least one member of the commission returns. A formal record of the meeting shall not be required.

Sec. 7. NEW SECTION. 479.50 Hearing — commission member attendance.

All hearings initiated under this chapter shall follow the attendance rules governing commission members as provided in section 476.33, subsection 5.

Sec. 8. Section 479B.4, subsection 3, Code 2025, is amended to read as follows:

3. The pipeline company shall hold informational meetings in each county in which real property or property rights will be affected at least thirty days prior to filing the petition for a new pipeline. A member of the commission, or a person designated by the commission, shall serve as the presiding officer at each meeting and present an agenda for the meeting, which shall include a summary of the legal rights of the affected landowners. At least one member of the commission shall attend each informational meeting. If at any point during the meeting no member of the commission is available for any reason, the meeting shall pause until at least one member of the commission returns. No formal record of the meeting shall be required. The meeting shall be held at a location reasonably accessible to all persons who may be affected by granting the permit.

Sec. 9. Section 476.33, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The following persons are entitled as of right to intervene in any proceeding conducted by the commission:

- a. A member of the general assembly.
- b. An elected county or city official.
- c. Any resident with a minimally plausible interest in the proceeding.

Sec. 10. Section 474.3, Code 2025, is amended to read as follows:

474.3 Proceedings.

1. The utilities commission may in all cases conduct its proceedings, when not otherwise prescribed by law, in such manner as will best conduce to the proper dispatch of business and the attainment of justice.

2. The utilities commission shall not threaten or impose sanctions against any intervenor unless the utilities commission determines the intervenor engaged in conduct that satisfies all the following conditions:

a. The intervenor was knowingly dishonest or in violation of a criminal statute.

b. The intervenor caused actual injury to the utilities commission, which injury is quantifiable and exceeds five hundred dollars.

Sec. 11. NEW SECTION. 479B.13A Insurance requirements for permittee.

1. In addition to the requirements of section 479B.13, before a permit is granted under this chapter, the applicant shall provide to the commission evidence of an appropriate surety or insurance policy to ensure the payment of all damages resulting from the construction and operation of the hazardous liquid pipeline. The surety or insurance policy must be sufficient to indemnify fully all of the following:

a. Any loss arising from or related to any negligent or intentional discharge of content from the pipeline.

b. Any injury, including diminution of value of real property, to affected properties due to the construction of the pipeline or the accidental or intentional discharge of content.

c. The inability for a person to obtain insurance, or the increased costs for a person to obtain or renew insurance, due to the presence or construction of the pipeline.

2. If any person is unable to obtain insurance, or experiences increased costs to obtain or renew insurance, as a result of the presence or construction of the pipeline, the pipeline owner shall either purchase insurance on behalf of the person or reimburse the person for the person's increased premium costs.

Sec. 12. Section 479B.16, subsection 1, Code 2025, is amended to read as follows:

1. A pipeline company granted a pipeline permit shall, subject to subsection 4, be vested with the right of eminent domain, to the extent necessary and as prescribed and approved by the commission, not exceeding seventy-five feet in width for right-of-way and not exceeding one acre in any one location in addition to right-of-way for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline. The commission may grant additional eminent domain rights ~~where~~ when the pipeline company has presented sufficient evidence to adequately demonstrate that a greater area is required for the proper construction, operation, and maintenance of the pipeline or for the location of pumps, pressure apparatus, or other stations or equipment necessary to the proper operation of its pipeline.

Sec. 13. Section 479B.16, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A pipeline company granted a pipeline permit shall not be vested with the right of eminent domain unless the pipeline company is a common carrier, as defined in section 6A.21.

Sec. 14. NEW SECTION. 479B.34 Hearing — commission member attendance.

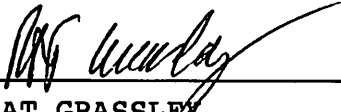
All hearings initiated under this chapter shall follow the attendance rules governing commission members as provided in section 476.33, subsection 5.

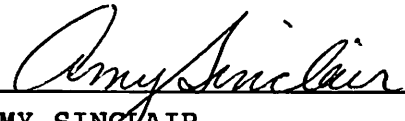
Sec. 15. Section 479B.14, subsection 2, Code 2025, is amended to read as follows:

2. The commission shall not grant an exclusive right to any pipeline company to construct, maintain, or operate its pipeline along, over, or across any public or private highway, grounds, waters, or streams. The commission shall not grant a permit for longer than twenty-five years. The commission shall not renew a permit granted to a pipeline that transports liquefied carbon dioxide and no pipeline that transports liquefied carbon dioxide shall be permitted to operate for longer than twenty-five years.

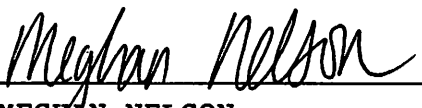
Sec. 16. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

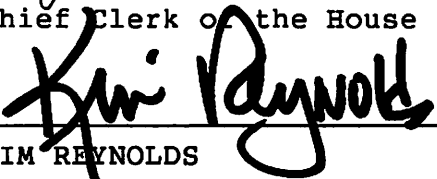
Sec. 17. APPLICABILITY. This Act applies to condemnation proceedings for which the application filed under section 6B.3 is filed on or after the effective date of this Act.



PAT GRASSLEY
Speaker of the House


AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 639, Ninety-first General Assembly.


MEGHAN NELSON
Chief Clerk of the House


KIM REYNOLDS
Governor


Disapproved
Approved June 11th, 2025