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# SUMMER MEETING

JUNE 15-16, 2018

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**PROPERTY RIGHTS AND TAX COMMITTEE**  
Saturday, June 16, 2018  
8 a.m.

**Dan Gattis, Chair**  
**Brian McLaughlin, Vice Chair**

## **MINUTES**

### **Call to order**

The meeting was called to order by Brian McLaughlin, vice-chair at 8:35 p.m.

### **Approval of minutes**

A motion was made to approve the minutes from the meeting on Sept. 28, 2017 by Austin Brown III and seconded by Gary Price. The motion was approved unanimously.

### **Eminent Domain update and working group report**

Brian McLaughlin provided an update on the association's work to reform eminent domain laws in Texas.

McLaughlin noted that particularly in the Permian Basin, there is a backlog in getting oil from the region to refineries. Current pipeline capacity is approximately 3.1 million barrels per day and production is 3.4 million barrels a day. There is no question they can use eminent domain to take your land, but our concern is with the compensation, both monetary and contractually. TSCRA and the Eminent Domain Working Group are working on reforms. We introduced legislation in 2017 that failed because of the Texas Oil & Gas Association and Texas Pipeline Association. They like status quo as it is in their favor. We have hired additional help, but it's still going to be a tough for legislators to choose between energy and landowners. We need to help legislators understand how the process works and why landowners bear the cost.

McLaughlin stressed that if attendees have had experience with eminent domain that we'd like to hear those stories and be able to convey those to decision makers at the Capitol.

McLaughlin opened the meeting to audience questions and comments.

It was asked how one finds more information on who the pipeline is, to which McLaughlin responded that it can be difficult, but the best place for addition information is from the Texas Railroad Commission.

Bennie Bock commented that while the focus is on the process, we should also work to establish protections for those already condemned, especially in the area of access to the easement. McLaughlin replied that access is an important consideration and comes in many stages from survey to construction to maintenance.

Joe Parker commented that confidentiality agreements present a problem with transparency and inquired if any service existed or could be created so landowners would have better access to the going rate for easements. McLaughlin responded that there is no central place to obtain information and the condemners use the information they have against the landowner. He noted that he uses the UT rate schedule as a starting point.

Richard Thorpe asked, based on his experience defending landowners, what a landowner should do when faced with condemnation. McLaughlin noted that they will send you a certified mailing with an initial offer and not to give access to survey before compensation is determined. They will get a temporary restraining order to survey and 30 days later you will get a final offer. The next step is the special commissioner's hearing. Tell the condemner you want to negotiate terms like remediation, term limits, the number and size of lines, etc.

John Dudley commented that construction on the third pipeline across his property is about to begin. He advised that landowners hire an attorney, as they helped negotiate eight times the initial offer. McLaughlin added that you should always check to ensure the condemner is a common carrier and that Tiffany Dowell Lashmet at Texas A&M Extension Service has a great pipeline easement check list.

Jay Evans commented that he would recommend a pre-construction conference as the contractors often do not know the terms of easement.

Finally, Bob McCan inquired as to attorney fees being included in the next bill. McLaughlin responded, noting that in the last session opponents messaged that it was a plaintiff lawyers bill, so it is an important topic when discussing whether it should be included in the next bill.

With no further audience questions McLaughlin closed the question and answer period of the eminent domain update and reiterated the need for member participation in ongoing reform efforts.

### **Adjourn**

With no other business to discuss, Brian McLaughlin adjourned the meeting at 9:10 a.m.

Minutes prepared by Jeremy Fuchs, TSCRA staff liaison for the committee.

Minutes submitted by Dan Gattis, chair, and Brian McLaughlin, vice-chair.