

Eminent domain authority for oil pipeline loses chief sponsors

Written by Marianne Goodland

The 2014 version of granting eminent domain authority to oil pipeline companies went through a strange couple of days in the past week and by week's end had lost its chief Senate and House sponsors.

Senate Bill 14-093 is an attempt to overturn a 2012 Colorado Supreme Court decision that told oil pipeline companies they did not have eminent domain authority. The companies have used their perceived authority for decades to obtain easements where they can place oil pipelines.

In 2013, they got pushback from several Weld County residents, Ivar and Donna Larson and some of their neighbors. Sinclair Transportation wanted to obtain another easement, and a 10-inch pipeline, to an existing easement that had been in place since 1963.

The Larsons bought the property near Johnstown years after the first easement, and a six-inch pipeline, was installed. But they refused the second easement request, because a subdivision had been built in the ensuing years, with one home just 25 feet from the pipeline. They asked for a greater distance, or setback, of about 1,500 feet, which Sinclair refused.

Sinclair sued under their alleged eminent domain authority. The Larsons borrowed \$2 million to cover the legal bills for the fight, which went all the way to the Colorado Supreme Court. The court ruled that oil pipeline companies did not have eminent domain authority; the statute that they relied upon for close to 100 years pertained only to natural gas pipelines and other public utilities.

Proponents of SB 93, including its then-sponsor, Sen. Cheri Jahn (D-Wheat Ridge), have maintained that the General Assembly always intended to grant that authority to the oil pipeline companies. The bill would not establish any new condemnation authority, Jahn said during the bill's first hearing on Feb. 13.

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