TOPIC PRIMER

PIPELINES AND PIPELINE SAFETY

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting (5-4-105, MCA; Chapter 309, Laws of 2017). The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The legislation links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary: Three crude oil pipeline networks serve Montana's petroleum production regions. One network owned by True Companies bridges the Williston and Powder River Basins in the eastern part of the state. The Front Range and Glacier Pipelines in Central Montana primarily move crude oil from Canada to Montana refineries in Billings and to points further on in Wyoming. Enbridge's Express pipeline in the same general area transports western Canadian crude through central Montana to Casper, Wyo., with very little of that crude offloaded in state.

Three distribution utilities and two transmission pipeline systems handle more than 99 percent of the natural gas consumed in Montana. The distribution utilities are NWE, MDU, and Energy West, which uses NWE for gas transmission. NWE and the Williston Basin Interstate Pipeline (affiliated with MDU) provide transmission service for in-state consumers and, with a handful of other pipelines, export Montana natural gas. Figure __ provides an overview of natural gas transmission pipelines in Montana. The red lines show NWE's transmission system and the blue lines are the WBI system serving MDU. Other lines are listed. Distribution lines are typically smaller and serve local customers, whereas transmission lines are larger lines that carry gas from production areas to large consumers and the distribution networks of populated areas.

Legislative Services Division Materials:

Understanding Energy in Montana 2018

Digging into One-call, 2012

Other Materials:

State Gas Pipelines: An Assessment of State Policy, NCSL 2011



Introduced Legislation

*Chapter number assigned means bill was passed and approved.

2017

House Bill 14 – (H) Died in Standing Committee -- "AN ACT CREATING THE JOBS IN MONTANA ACT; PROVIDING FUNDING 6 AND AUTHORIZATION FOR CAPITAL AND INFRASTRUCTURE PROJECTS STATEWIDE; CREATING THE 7 STATE TO COMMUNITY BOND ACCOUNT FOR GRANTS AND LOANS AND THE STATE AND LOCAL 8 INFRASTRUCTURE ACCOUNT; APPROPRIATING MONEY TO THE DEPARTMENT OF ADMINISTRATION 9 FOR CAPITAL PROJECTS AND FOR THE CONSTRUCTION OF THE STATE VETERANS' HOME IN 10 SOUTHWESTERN MONTANA; APPROPRIATING MONEY TO THE DEPARTMENTS OF COMMERCE AND 11 NATURAL RESOURCES AND CONSERVATION FOR GRANTS AND LOANS TO STATE AND LOCAL 12 ENTITIES FOR PROJECTS AND IMPROVEMENTS; PRIORITIZING PROJECT GRANTS AND LOANS; 13 AUTHORIZING PROJECT GRANTS AND LOANS AND AMOUNTS; APPROPRIATING MONEY TO THE 14 DEPARTMENT OF COMMERCE AND AUTHORIZING THE INTEGRATED TESTING CENTER; 15 REAUTHORIZING PROJECT GRANTS AND LOANS AUTHORIZED BY THE 64TH LEGISLATURE; 16 ESTABLISHING CONDITIONS FOR GRANTS AND LOANS; REQUIRING LOCAL GOVERNMENTS TO 17 PROVIDE MATCHING FUNDS FOR PROJECTS BASED ON A FORMULA; CREATING RULEMAKING 18 AUTHORITY; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AUTHORIZING 19 THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; 20 AUTHORIZING TRANSFERS TO THE GENERAL FUND; CLARIFYING THAT CERTAIN ACCOUNTS ARE 21 SUBJECT TO LEGISLATIVE FUND TRANSFERS; AMENDING SECTIONS 15-10-420, 15-38-302, 17-5-703, 22 20-9-516, 90-6-701, AND 90-6-715, MCA; AMENDING SECTION 2, CHAPTER 461, LAWS OF 2009; 23 AMENDING SECTION 5, CHAPTER 324, LAWS OF 2011; AND PROVIDING AN IMMEDIATE EFFECTIVE 24 DATE."

House Bill 633 – (S) Died in Process -- AN ACT PROVIDING FOR AN INTERSTATE PIPELINE CONSTRUCTION 5 IMPACT FEE; PROVIDING THAT THE IMPACT FEE MAY BE LEVIED SUBJECT TO AN IMPACT FEE 6 AGREEMENT; PROVIDING THAT THE FEE IS TO BE USED FOR PUBLIC HEALTH AND SAFETY AND LAW 7 ENFORCEMENT; PROVIDING THAT THE IMPACT FEE IS A CREDIT TOWARD FUTURE PROPERTY TAXES; 8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

<u>Senate Bill 207</u> – Chapter Number Assigned -- AN ACT REVISING LAWS RELATED TO THE CONFIDENTIALITY OF CERTAIN ARTIFACTS OR REMAINS ON LANDS OBTAINED FOR COMMON CARRIER PIPELINES; PROVIDING DEFINITIONS; AMENDING SECTION 75-20-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

<u>Senate Joint Resolution 10</u> – (S) Filed with Secretary of State -- A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING PROMPT CONGRESSIONAL AND PRESIDENTIAL APPROVAL FOR THE KEYSTONE XL PIPELINE.

2015

House Bill 156 – Chapter Number Assigned -- AN ACT EXEMPTING CERTAIN AIR AND WATER POLLUTION CONTROL AND CARBON CAPTURE EQUIPMENT FROM PROPERTY TAXATION AND REDUCING



PROPERTY TAXES FOR CARBON TRANSPORTATION AND SEQUESTRATION EQUIPMENT; PROVIDING FOR THE CERTIFICATION OF CARBON SEQUESTRATION EQUIPMENT; ALLOWING A CARRYFORWARD OF AN EXEMPTION OR RATE REDUCTION AFTER TAX YEAR 2025 FOR CERTAIN QUALIFYING PROPERTY; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-6-135, 15-6-158, AND 15-6-219, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE.

2011

House Bill 232 – (H) Died in Standing Committee -- AN ACT CLARIFYING REQUIREMENTS THAT STATE AGENCIES 5 CONSULT WITH LOCAL GOVERNMENTS WHEN DRAFTING ENVIRONMENTAL IMPACT STATEMENTS; 6 AMENDING SECTIONS 75-1-201 AND 75-20-216, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE 7 AND A RETROACTIVE APPLICABILITY DATE

House Bill 503 – (H) Died in Standing Committee -- AN ACT GENERALLY REVISING LAWS REGARDING EXCAVATIONS NEAR 5 UNDERGROUND FACILITIES; CREATING AN UNDERGROUND UTILITY SAFETY BOARD; ALLOCATING 6 THE BOARD TO THE DEPARTMENT OF LABOR AND INDUSTRY; ESTABLISHING THE BOARD'S DUTIES 7 AND RESPONSIBILITIES; REQUIRING BOARD REVIEW OF DISPUTED CLAIMS; REQUIRING NOTIFICATION 8 CENTERS TO PROVIDE REPORTS; GRANTING THE BOARD RULEMAKING AUTHORITY; ALLOWING FOR 9 THE COLLECTION OF A FEE; ESTABLISHING FINES; AMENDING SECTIONS 17-7-502, 69-4-501, 69-4-502, 10 69-4-503, 69-4-504, 69-4-505, 69-4-512, AND 69-4-514, MCA; REPEALING SECTIONS 69-4-508 AND 69-4-513, 11 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

<u>Senate Bill 9</u> – Chapter Number Assigned -- AN ACT AUTHORIZING THE USE OF PETROLEUM MIXING ZONES IN THE REMEDIATION AND RESOLUTION OF PETROLEUM RELEASES; GRANTING RULEMAKING AUTHORITY; AMENDING SECTIONS 75-11-307, 75-11-309, 75-11-503, AND 75-11-505, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

<u>Senate Bill 305</u> – Chapter Number Assigned -- AN ACT REVISING MONTANA'S ENERGY POLICY; AMENDING SECTION 90-4-1001, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Senate Bill 320 – Chapter Number Assigned -- AN ACT ENCOURAGING THE UPGRADING OF TRANSMISSION LINES WITHIN EXISTING RIGHTS-OF-WAY TO AVOID THE PROLIFERATION OF NEW TRANSMISSION CORRIDORS; CLARIFYING LEGISLATIVE FINDINGS AND CERTAIN DEFINITIONS UNDER THE MONTANA MAJOR FACILITY SITING ACT; AMENDING SECTIONS 75-20-102 AND 75-20-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

2009

House Bill 338 – Chapter Number Assigned -- AN ACT PROVIDING COMMON CARRIER STATUS TO PIPELINES MOVING CARBON DIOXIDE PRODUCED IN THE COMBUSTION OR GASIFICATION OF FOSSIL FUELS; AND AMENDING SECTIONS 69-13-101, 69-13-102, 69-13-201, 69-13-301, 69-13-302, AND 69-13-303, MCA.



House Bill 642 – (H) Died in Standing Committee -- AN ACT AMENDING CLASS NINE PROPERTY DESCRIPTIONS TO 5 CONFIRM THAT ALLOCATIONS OF CENTRALLY ASSESSED NATURAL GAS PIPELINES, OIL PIPELINES, 6 CARBON DIOXIDE PIPELINES, LIQUID PIPELINES, AND PRODUCT PIPELINES REMAIN AS CLASS NINE 7 PROPERTY; AMENDING SECTION 15-6-141, MCA; AND PROVIDING AN EFFECTIVE DATE AND A 8 RETROACTIVE APPLICABILITY DATE.

Senate Bill 489 – Chapter Number Assigned -- AN ACT REVISING TAXATION LAWS RELATED TO PIPELINES; CLARIFYING THAT REGULATED NATURAL GAS AND OIL PIPELINES AND COMMON CARRIER PIPELINES ARE TAXED AS CLASS NINE PROPERTY AND THAT OIL AND GAS PRODUCTION PROPERTY, INCLUDING FLOW LINES AND GATHERING LINES, IS TAXED AS CLASS EIGHT PROPERTY; AMENDING SECTIONS 15-6-138, 15-6-141, 15-23-101, AND 15-23-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.

