

Act No. 85  
Public Acts of 2014  
Approved by the Governor  
April 1, 2014  
Filed with the Secretary of State  
April 1, 2014  
EFFECTIVE DATE: April 1, 2014

**STATE OF MICHIGAN  
97TH LEGISLATURE  
REGULAR SESSION OF 2014**

Introduced by Reps. Pettalia and Nesbitt

# **ENROLLED HOUSE BILL No. 5274**

AN ACT to amend 1929 PA 16, entitled “An act to regulate the business of carrying or transporting, buying, selling or dealing in crude oil or petroleum or its products, through pipe lines; to authorize the use of public highways and the condemnation of private property; to regulate the purchase and storage of crude oil or petroleum; to provide for the control and regulation of all corporations, associations and persons engaged in such business, by the Michigan public utilities commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties for violations of the provisions hereof,” by amending the title and sections 1, 3, 4, and 5 (MCL 483.1, 483.3, 483.4, and 483.5).

*The People of the State of Michigan enact:*

## TITLE

An act to regulate the business of carrying or transporting, buying, selling, or dealing in crude oil or petroleum or its products, or certain substances consisting primarily of carbon dioxide through pipe lines; to authorize the use of public highways and the condemnation of private property; to regulate the purchase and storage of crude oil or petroleum or certain substances consisting primarily of carbon dioxide; to provide for the control and regulation of all corporations, associations, and persons engaged in such business, by the Michigan public service commission; to define the powers and duties of the commission in relation thereto; and to prescribe penalties.

Sec. 1. (1) As used in this act:

(a) “Carbon dioxide substance” means a gaseous or liquid substance, consisting primarily of carbon dioxide, that will be put in storage or that has been or will be used to produce hydrocarbons in a secondary or enhanced recovery operation.

(b) “Commission” means the Michigan public service commission.

(c) “Person” means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(2) A person exercising or claiming the right to carry or transport crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, by or through pipe line or lines, for hire, compensation or otherwise, or exercising or claiming the right to engage in the business of piping, transporting, or storing crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, or engaging in the business of buying, selling, or dealing in crude oil or petroleum or carbon dioxide substances within this state, does not have or possess the right to conduct or engage in the business or operations, in whole or in part, or have or possess the right to locate, maintain, or operate the necessary pipe lines, fixtures, and equipment belonging to, or used in connection with that business on, over, along, across, through, in or under any present or future highway, or part thereof, or elsewhere, within this state, or have or possess the right of eminent domain, or any other right, concerning the business or operations, in whole or in part, except as authorized by and subject to this act.

(3) Subsection (2) does not apply to a right that exists on March 27, 1929 and is valid, vested, and incapable of revocation by any law of this state or of the United States.

Sec. 3. (1) Subject to subsection (2), the commission is granted the power to control, investigate, and regulate a person doing any of the following:

(a) Exercising or claiming the right to carry or transport crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, by or through pipe line or lines, for hire, compensation, or otherwise within this state.

(b) Exercising or claiming the right to engage in the business of piping, transporting, or storing crude oil or petroleum, or any of the products thereof, or carbon dioxide substances within this state.

(c) Engaging in the business of buying, selling, or dealing in crude oil or petroleum or carbon dioxide substances within this state.

(2) Producers or refiners of crude oil or petroleum or carbon dioxide substances or operators of private trunk or gathering lines or other methods of conveying those products, are not subject to this act if the nature and extent of their business is private and no public interest is involved in the conduct of the business.

Sec. 4. A person claiming or exercising the right to carry or transport crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, by pipe line or pipe lines, for hire, compensation, or otherwise, in this state, as owner, lessee, licensee, or by virtue of any other right or claim, or engaging in the business of purchasing or storing crude oil or petroleum or carbon dioxide substances is a common purchaser thereof. The person shall purchase all the crude oil or petroleum or carbon dioxide substances in the vicinity of, or which may be reasonably reached by its pipe lines, or gathering branches, without discrimination in favor of any producer or other person as against another, and shall fully perform all the duties of a common purchaser. However, if the person is unable to perform the duties of a common purchaser or is legally excused from purchasing, transporting, or storing all of the crude oil or petroleum or carbon dioxide substances produced in the vicinity, then it shall purchase, transport, or store crude oil or petroleum or carbon dioxide substances from each producer or other person ratably, in proportion to the average daily production. A common purchaser shall not discriminate in price or amount for like grades of crude oil or petroleum or carbon dioxide substances or facilities as between producers or other persons. If a common purchaser is also a producer, it shall not discriminate in favor of its own production, or storage, or any production or storage in which it is interested directly or indirectly in whole or in part, and shall treat its own production and storage like that of any other producer or other person.

Sec. 5. A person engaged in the business of carrying or transporting crude oil or petroleum, or any of the products thereof, or carbon dioxide substances, for hire or compensation or otherwise, by pipe line or lines, within this state, is a common carrier thereof as at common law. Such a common carrier shall not allow or commit any unjust or unlawful discrimination, directly or indirectly, in favor of the carriage, transportation, storage, or delivery of any crude, stock, or storage oil, or petroleum, or any products thereof, or carbon dioxide substances that are in its possession or control, or in which the common carrier is interested, directly or indirectly.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 97th Legislature are enacted into law:

(a) House Bill No. 4885.

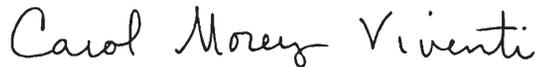
(b) House Bill No. 5254.

(c) House Bill No. 5255.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor