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# Kentucky Legislators Hear Testimony on Eminent Domain, Bluegrass Pipeline

By [ERICA PETERSON](#)

A Kentucky House legislature committee has delayed a vote on a bill that would clarify the state's eminent domain laws. The bill was sparked by the continuing efforts to acquire easements for a [natural gas liquids pipeline across the commonwealth](#).

The issue of eminent domain for natural gas liquids—or NGL—pipelines arose last year, when two companies announced their plans to lay 500 miles of new pipeline through Kentucky and Ohio. The proposed Bluegrass Pipeline would carry the byproducts of natural gas drilling—like butane and propane—across the commonwealth and use existing pipeline to take it to processing plants on the Gulf of Mexico.

For months, pipeline representatives have been acquiring easements in more than a dozen Northern and Central Kentucky counties. There's been opposition to the project, and many [landowners have expressed concerns about safety and environmental contamination from the pipeline](#). But the issue of whether the company could use eminent domain to force reluctant landowners to allow the pipeline through their land has been blurry. Pipeline company Williams has said it believes it has the power of eminent domain under Kentucky law, but several others, including Kentucky Attorney General Jack Conway and the Energy and Environment Cabinet, have disagreed.

A group of citizens [has filed a lawsuit to force the court to clarify the law](#), but that case is still pending.

The [committee substitute to House Bill 31](#) that the Kentucky House Judiciary Committee considered today is brief, and simply-worded. It amends the part of Kentucky law that deals with eminent domain to clarify that natural gas liquids pipelines aren't eligible for eminent domain in the commonwealth.

*KRS 278.502 is amended to read as follows:*

(1) *As used in this section, the terms "oil or gas" and "oil and gas products" shall not include natural gas liquids, including ethane, propane, butane, isobutene, pentane, or any combination of natural gas liquids.*

The bill wouldn't affect whether the Bluegrass Pipeline could cross Kentucky, or pass any judgment on the project. But as speakers testified, the legislation would allow landowners to choose whether to grant easements to the project without the spectre of eminent domain. The House Judiciary Committee heard from numerous landowners who oppose the pipeline. Nelson County native Amy Boone outlined the reasons she opposes the project, but said right now, the issue at hand is eminent domain.

"I'm not here, at least today, to debate about whether pipelines are safe, whether the temporary jobs would even go to Kentuckians, whether it's a good idea to export more propane, and whether it's safe to cross karst terrain," she said. "I feel I speak for many small town Kentuckians and my family and many landowners and farmers when I say we don't want to be forced to give up our land and hand it over to this private company. Please give us the right to say no."

Pipeline representatives didn't speak at the hearing, but the committee did hear from several industry officials who oppose the legislation. Greg Higdon of the Kentucky Association of Manufacturers brought up the state's auto industry, and said the bill "would likely restrict a source of raw materials for our manufacturing processes." NGLs are used in some plastics, which end up in vehicles.

Representatives from the Petroleum Institute, the Kentucky Chamber of Commerce and the Kentucky Oil and Gas Association also testified against the bill, warning it could have unintended consequences on Kentucky's economy. Their consensus was that the courts should be responsible for interpreting the existing law, rather than rewriting it in the General Assembly.

Committee chairman and bill sponsor John Tilley said he heard their concerns, but dismissed the idea that the legislation was complex or would hamper economic development. Rather, he said it would simply protect private property owners from having land condemned by a private company.

"We're just trying to clarify the existing law. Law which everybody says at best is murky, but at worst, leaves a hole to be filled," he said.

Governor Steve Beshear also spoke out in support of the measure this morning.

"Although we have been advised that existing law does not permit companies to use eminent domain for private projects like the Bluegrass Pipeline, I would welcome legislation that will clarify and codify that point. I strongly encourage our legislature to consider and pass such a bill," he said in a statement.

Ultimately, the House Judiciary Committee ran out of time before members could vote on the legislation. Tilley said the discussion would be continued in a future meeting.