



2024 South Dakota Legislature

House Bill 1186

SENATE COMMERCE AND ENERGY ENGROSSED

Introduced by: **Representative** Mortenson

1 **An Act to define the requirements for granting a carbon pipeline easement.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That chapter 43-13 be amended with a NEW SECTION:**

4 For the purposes of section 2 of this Act, the term "carbon pipeline easement"
 5 means a right, whether or not stated in the form of a restriction, option to obtain an
 6 easement, easement, covenant, or condition, in a deed, will, or other instrument executed
 7 by or on behalf of an owner of land for the purpose of transmitting carbon dioxide by
 8 pipeline.

9 **Section 2. That chapter 43-13 be amended with a NEW SECTION:**

10 A property owner may grant a carbon pipeline easement in the same manner and
 11 with the same effect as a conveyance of an interest in real property. The easement must
 12 be created in writing, and the easement or a memorandum thereof must be filed, duly
 13 recorded, and indexed in the office of the register of deeds of the county in which the
 14 easement is granted.

15 Any carbon pipeline easement is void if no permit has been granted by the Public
 16 Utilities Commission pertaining to the transportation of carbon dioxide associated with the
 17 easement within five years after the effective date of the easement.

18 If the easement holder mortgages or otherwise encumbers to any party any part
 19 of the easement holder's rights and interests under the easement, any such mortgage or
 20 encumbrance on the easement is the responsibility of the easement holder and attaches
 21 only to the easement holder's rights and does not otherwise attach to the land or obligate
 22 the property owner. Each carbon pipeline easement agreement must include a statement
 23 disclosing that the easement holder may mortgage or encumber any part of the easement
 24 holder's rights and interests under the agreement unless otherwise specified in the
 25 agreement.