

2025 Regular Session

HOUSE BILL NO. 537

BY REPRESENTATIVE SCHAMERHORN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ENVIRONMENT/QUALITY: Authorizes liens for victims of CO2 pipeline disasters

1 AN ACT

2 To enact R.S. 30:1116, relative to releases from carbon dioxide pipelines; to provide for a
3 lien for victims of a carbon dioxide pipeline release; to provide for legislative
4 findings; to provide definitions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 30:1116 is hereby enacted to read as follows:

7 §1116. Carbon dioxide pipeline victim lien

8 A. The legislature finds that:

9 (1) Carbon dioxide is a colorless, odorless asphyxiant that will not remain
10 in the area of the pipeline easement if released, putting people, pets, and livestock
11 at risk of injury or death.

12 (2) Past pipeline ruptures have resulted in injuries to the surrounding
13 community of the pipeline rupture.

14 B. As used in this Section, the following terms shall have the meanings
15 ascribed to them:

16 (1) "Kill zone" shall mean a twenty-five mile radius from a release or rupture
17 of a carbon dioxide pipeline.

18 (2) "Owner" shall mean any individual, corporation, or estate who owns or
19 operates a carbon dioxide pipeline or any other business who supplies carbon dioxide
20 to a carbon dioxide pipeline.

1 (3) "Victim" shall mean any individual, corporation, or estate who files a
2 financing statement for the purpose of perfecting a carbon dioxide pipeline victim
3 lien.

4 C.(1) Any affected person or property within the kill zone shall have a
5 carbon dioxide victim lien for compensation and any and all damages incurred and
6 projected to incur, including but not limited to healthcare, death, disability, property
7 damage, and punitive damages on all assets of the owners and operators of the
8 carbon dioxide pipeline and the owners and generators of the carbon dioxide being
9 transported that released or caused to be released carbon dioxide from a pipeline
10 regardless of intent or liability.

11 (2) To perfect a carbon dioxide pipeline victim lien, a victim must file a
12 financing statement within three hundred sixty-five days of a release or releases that
13 caused damage from a carbon dioxide pipeline release. A perfected carbon dioxide
14 victim lien has a priority retroactive to the date of the initial release of carbon
15 dioxide over any conflicting security interest or lien, including a security interest or
16 lien that was perfected prior to the creation of the lien under this Section, if the lien
17 under this Section is perfected within the following time frames:

18 (a) Within three hundred sixty-five days following the release that caused the
19 damage.

20 (b) Within one hundred eighty days of the last reported release by the same
21 pipeline that caused the damage.

22 (3) A financing statement filed to perfect a carbon dioxide pipeline victim
23 lien shall include a statement indicating that it is filed for the purpose of perfecting
24 a carbon dioxide pipeline victim lien. This financing statement shall continue to be
25 effective until a termination statement is filed.

26 (4) A victim who has filed a financing statement shall file a termination
27 statement within thirty days of receiving an authenticated written demand from an
28 owner if the owner has performed all obligations or if the victim relinquishes his
29 rights to the carbon dioxide pipeline victim lien.

1 (5) If any owner is involved in bankruptcy or receivership, the trustee,
 2 conservator, or court responsible for reorganization or for liquidation of the assets
 3 of the owner shall hold the assets in trust for the benefit of potential carbon dioxide
 4 pipeline victim lien holders for three hundred sixty-five days of the owner's last day
 5 of controlling or causing to control the operations of the carbon dioxide pipeline or
 6 the creation of carbon dioxide to allow for potential carbon dioxide pipeline victim
 7 liens to be filed.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 537 Original

2025 Regular Session

Schamerhorn

Abstract: Provide for a lien for victims of a carbon dioxide pipeline release and for definitions.

Proposed law provides for a carbon dioxide victim lien for all impacted people and property within a 25 mile radius of a carbon dioxide pipeline release.

Proposed law provides definitions for "kill zone", "owner", and "victim".

Proposed law provides that any affected person or property within the kill zone has a carbon dioxide victim lien for compensation for all damages on all assets of the owners and operators of the carbon dioxide pipeline and the owners and generators of the carbon dioxide being transported that released carbon dioxide from a pipeline regardless of intent or liability.

Proposed law requires a victim to file a financing statement within 365 days of a carbon dioxide pipeline release that causes damage to perfect a carbon dioxide pipeline victim lien, which has priority retroactive to the date of the initial release over any conflicting security interest or lien regardless of when that interest or lien was perfected if the lien created under proposed law was perfected:

- (1) Within 365 days following the release that caused the damage.
- (2) Within 180 days of the last reported release by the same pipeline that caused the damage.

Proposed law provides that a financing statement filed to perfect a carbon dioxide pipeline victim lien must include a statement indicating that it is a filed carbon dioxide pipeline victim lien and shall be effective until a termination statement is filed.

Proposed law provides that a victim who has filed a financing statement must file a termination statement within 30 days of receiving an authenticated written demand from an owner if the owner has performed all obligations or if the victim relinquishes all rights to the carbon dioxide pipeline victim lien.

Proposed law provides if any owner is involved in bankruptcy or receivership, the trustee, conservator, or court responsible for reorganization or liquidation of the assets must hold the assets in trust for 365 days of the owner's last day of controlling or causing to control the operations of the carbon dioxide pipeline or the creation of carbon dioxide to allow for potential carbon dioxide pipeline victim liens to be filed.

(Adds R.S. 30:1116)