

Understanding your rights: Transmission lines and your land

This information is a general guide and not legal advice. If a utility company wants to build a high-voltage transmission line on or near your property, it's important to understand your rights. You should always talk to your own legal and real estate advisors for help with your specific situation.

How transmission line routes are chosen

The Minnesota Public Utilities Commission (Commission) decides where high-voltage transmission lines (HVTL) can be built. They try to find routes that cause the least harm to people and the environment while making sure our energy system is reliable.

When the Commission approves a route, it sets a general area (the "route") and a specific strip of land within that area (the "right-of-way") where the transmission line will be located. The route is usually wider than the right-of-way, giving the utility some flexibility in where they place the line. Before building, the utility will file detailed plans showing the exact location of the right-of-way.

Rights-of-Way and easements

A right-of-way is the legal permission for a utility to use someone else's land for a specific purpose, like building and maintaining a transmission line.

An easement is a written agreement that gives the utility this right. It's like a contract between you and the utility that says they can use a specific part of your land. This agreement is recorded in official land records and stays in place even if you sell your property.

The easement document will clearly state where the transmission line will go and what the utility can and cannot do on your land. It will also outline what you, as the landowner, can and cannot do on that part of your land in the future.

Sometimes, instead of an easement, the utility might want to buy your land outright (this is called buying the fee title).

Because an easement or buying fee title are legal agreements that affect your land for the long term, it's crucial to get advice from legal and real estate professionals before signing anything.

Eminent domain: When the utility can take your land

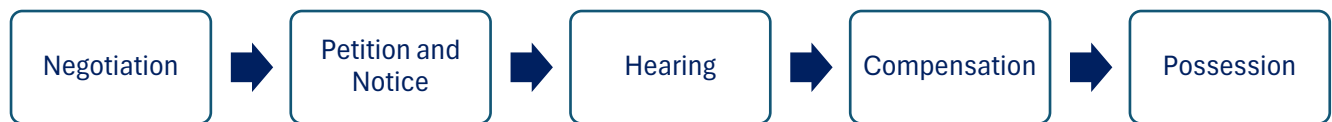
Minnesota law allows a utility with the Commission's permission to use eminent domain (also called condemnation) to acquire property rights if they can't reach an agreement with the landowner. This means the utility can legally take the necessary land (either an easement or full ownership) even if you don't want to sell or agree to an easement.

The U.S. and Minnesota Constitutions say that if your land is taken through eminent domain, you are entitled to just compensation for its value. If a utility uses eminent domain, they must:

- First try to negotiate with you in good faith to settle on the amount of compensation you will receive.
- Provide you with a professional appraisal (estimate of value) of the property interest they want to take.

You have the right to get your own appraisal, and the utility must pay for it (within certain limits). Any appraisal should consider not just the value of similar easements or properties, but also any income you might lose because of the transmission line and any decrease in the value of the rest of your property.

The Eminent domain process and timeline



The legal process of eminent domain starts when the utility files a petition in the district court of the county where your land is located. This petition will describe the land they want and name all the owners.

At least 20 days before filing the petition, the utility must send you a *Notice of the Objects of the Petition*. This notice will tell you when and where a court hearing will take place.

At the hearing, you can object to the utility using eminent domain. However, if the court decides the transmission line serves a public purpose, is necessary, and has been properly authorized, it will likely allow the taking to proceed.

The issue of compensation will be decided separately. The court will appoint a panel of experts to determine how much you should be paid. There will be another hearing for this. You can appeal the decision (called the award) to the district court.

Possession of the property

If you don't appeal the compensation award, the utility can take ownership and possession of the property or easement once they pay you the awarded amount. If you do appeal, they can usually take possession after depositing three-fourths of the award with the court.

If the utility needs to start construction quickly, they can use a "quick take" process. In this case, they must give you 90 days' written notice by certified mail and pay you (or deposit with the court) the value of the property as they appraised it. The court can then give the utility ownership and possession after the 90-day notice period.

It's very important to consult with a legal advisor as soon as you know the utility might use eminent domain.

Relocation and Buy-the-Farm rights

The Commission tries to avoid building transmission lines in ways that would force people to move their homes or businesses. However, sometimes this can't be avoided. If the right-of-way goes directly through your residence or business, you may be entitled to relocation benefits, including:

- **Minimum compensation:** At least enough money to buy a comparable property in your community. This might be more than the "just compensation" mentioned earlier.
- **Advisory services:** Help from the utility to find suitable replacement property. This includes interviews to understand your needs, information about available properties, and help with the process.
- **Moving costs and other expenses:** Reimbursement for certain costs related to moving.

Buy the Farm

Minnesota law, often referred to as the "Buy the Farm" provision, offers significant protections to residential landowners and farmers facing the impact of large transmission lines. Recognizing that these projects can significantly affect property value and quality of life, the legislature created this option to empower landowners and mitigate the negative impacts of large transmission lines. This option only applies if the utility is using eminent domain. If you reach a voluntary agreement for an easement, you generally cannot use the Buy the Farm option later.

Specifically, for HVTL's of 200 kilovolts or larger, Minnesota law grants certain landowners the right to compel the utility company to purchase more than just the land directly needed for the transmission line if the utility is using eminent domain.

This Buy the Farm option applies to the following types of properties:

- **Homestead property:** This includes both agricultural and non-agricultural land that serves as the owner's primary residence.
- **Non-homestead agricultural land:** This covers farmland that is not the owner's primary residence but is actively used for agricultural purposes.
- **Rental residential property:** This includes properties that are leased to tenants for residential use.
- **Seasonal residential recreational property:** This encompasses properties used for recreational purposes on a seasonal basis, such as cabins or lake homes.

If the utility buys your entire property under Buy the Farm, and this includes your home or business, you are also entitled to the relocation benefits mentioned above.

When to decide on Buy the Farm

When the utility starts the eminent domain process, they will send you a *Notice of the Objects of the Petition*. You have 60 days from the date you receive this notice to inform the utility in writing if you want them to buy your entire property under the Buy the Farm law. However, if you know that you want to use Buy the Farm from the start of negotiations with the utility before they use eminent domain, your agreement with the utility might include them buying your property.

It's crucial to consult with a legal advisor if you are considering the Buy the Farm option to make sure you send the proper notices within the deadline.

The Public Utilities Commission's role in eminent domain

It's important to understand that the Public Utilities Commission does not have the authority to decide issues related to the utility's use of eminent domain, including how much you are compensated, Buy the Farm requests, or relocation benefits.

The Commission's job is to decide on the best routes for transmission lines to minimize harm to people and the environment.

Protecting your rights

The impact of transmission lines on your land can be significant. You are encouraged to:

- Participate in the Commission's proceedings that lead to the routing decisions.
- Consult with real estate and legal professionals to understand how the project might affect your land.
- Ensure that any taking of your property is fairly compensated according to the law.

For more information

For detailed information on eminent domain and Buy the Farm, visit the Minnesota Revisors website at www.revisor.mn.gov and see Minnesota Statutes Chapters 117 and 216L.21.