

THE JOURNAL RECORD

Gavel to Gavel: HB2036 is a common-sense action in amending the condemnation process

By: [Scott Kiplinger](#) // GableGotwals // June 4, 2025



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On May 21, [Governor Stitt](#) signed [House Bill 2036](#) into law, marking a significant update to [Oklahoma's](#) condemnation procedures. The new law streamlines practices statewide while incentivizing higher payments for landowners.

Oil and gas pipelines are the safest and most efficient method to deliver hydrocarbons to end-users across Oklahoma. One of the most burdensome and unpredictable aspects of installing a pipeline is securing the land rights for the project, which can span hundreds of miles. Once a company determines the best route for a pipeline, it must engage in good-faith negotiations on the fair value for the use of the land to be paid to landowners.

Should those negotiations fail, the company must submit a “final offer” before filing an action for condemnation – sometimes referred to as “[eminent domain](#).” Should a landowner reject that final offer, the company files for condemnation. Three disinterested real estate professionals are appointed to serve as Commissioners and determine the “just compensation” to be paid by the company.

After their appraisal, the Commissioners submit a report with their valuation of the property. The landowner may still demand a jury trial challenging the Commissioners’ valuation. Currently, if the landowner receives a jury award that exceeds the Commissioners’ appraisal by just 10%, the landowner is entitled to recover all attorneys’ fees and costs incurred through trial.

Consider the following hypothetical example: Company submits a final offer of \$100,000 to a landowner, which is rejected. Commissioners assign a value of \$50,000 for the property. If the landowner obtains a jury award of just \$55,000, then the landowner may recover fees and costs – which may run tens of thousands of dollars and in fact exceed the jury award – from the company, *despite the fact that the company was willing to pay significantly more than the landowner received at trial.*

House Bill 2036 remedies this system by basing the fee award on *the higher* of the Commissioners’ appraisal or the company’s best and final offer. While the landowner will never be liable for the company’s fees or costs, basing the fee shift on what the company is willing to pay incentivizes higher negotiated payments to landowners while protecting their right to a jury trial and decreases the incentives to litigate. The legislature and the Governor should be applauded for their common-sense action in amending the condemnation process.

[Scott Kiplinger](#) of [GableGotwals](#) represents a number of midstream companies engaged in condemnation procedures and advised as to the provisions contained in House Bill 2036.

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