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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/13
LAST UPDATED 03/11/13 **HB** 494/aHBIC/aHFI#1

SPONSOR Easley

SHORT TITLE Pipeline Location Notices for Excavators **SB** _____

ANALYST Clark

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of HFI #1 Amendment

The House Floor #1 amendment to House Bill 494 changes the first sentence of the definition for “positive response” to the following:

“positive response” means a documented response, within the advance notice period, initiated by owners or operators of pipelines and underground facilities by reliable means of communication to the one-call notification system's positive response registry system.”

The amendment also changes Section 2(B) of the bill to the new language below. The comma inserted after “and” on page 5, line 13 should include a matching comma after “facility”.

If the owner or operator of the underground facility finds that the owner or operator has no underground facilities in the proposed area of excavation, the owner or operator shall provide a positive response and, at the option of the owner or operator of the underground facility mark the area as "Clear" or "No Underground Facilities" in the appropriate color code as specified in Section 62-14-5.1 NMSA 1978.

Finally, the amendment now requires the one-call notification center to provide appropriate positive response records to the PRC. The bill previously required the owners and operators of pipeline facilities and underground facilities to perform this duty.

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment to House Bill 494 removes the original bill's alteration to the definition for "pipeline" to retain the definition in current statute. The amendment also clarifies the positive response must be sent directly to the one-call notification system, not just to the excavator. Finally, the amendment specifies that if the owner or operator of the underground facility has no underground facilities in the proposed area of excavation, the owner or operator must mark the area as "Clear" or "No Underground Facilities" in the appropriate color code.

Synopsis of Original Bill

House Bill 494 amends Section 62-14 NMSA 1978 to add a definition for "positive response," requires underground utility owners to provide a positive response that allows excavators to verify whether all affected pipeline and underground facility owners or operators have marked their underground facilities prior to commuting to the excavation site and commencing excavation, and modifies the horizontal location marking accuracy from twelve to eighteen inches. The bill amends the definition for "pipeline" to remove the requirement that it must be subject to the jurisdiction of federal law or regulation.

FISCAL IMPLICATIONS

There are no fiscal implications.

SIGNIFICANT ISSUES

This bill reduces the risk of damage to underground utilities during excavation activities through an expansion of the limitations currently set on respected tolerance zones. The PRC reports that current law requires underground utilities to be horizontally located within twelve inches after receiving an excavation notice -- the most stringent requirement in the country. The industry standard is 18 inches. Underground utilities continue to have problems accurately marking underground facilities within 12 inches utilizing current technology. This change will help prevent damage by increasing the respected tolerance zone for excavators.

Local one-call notification centers will be required to develop a positive response registry system and make it available to underground utility owners. The PRC analysis shows that excavators are currently required to verify underground utilities have been cleared or marked for proposed excavation sites by either commuting to the excavation site and physically confirming markings or accessing the local one-call notification center online system. However, underground utilities are not required to report to the one-call notification center online system, thus requiring excavators to often absorb the expenses of commuting to excavation sites and downtime due to failure to mark. This bill would help prevent unnecessary expenses.