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HOUSE BILL 490

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

John A. Heaton

AN ACT

RELATING TO OIL AND GAS; AMENDING THE PIPELINE SAFETY ACT TO  
TRANSFER DUTIES OF THE PUBLIC REGULATION COMMISSION TO THE OIL  
CONSERVATION DIVISION OF THE ENERGY, MINERALS AND NATURAL  
RESOURCES DEPARTMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 62-14-2 NMSA 1978 (being Laws 1973,  
Chapter 252, Section 2, as amended) is amended to read:

"62-14-2. DEFINITIONS. -- ~~[For purposes of]~~ As used in  
Chapter 62, Article 14 NMSA 1978:

- A. "advance notice" means two working days;
- B. "blasting" means the use of an explosive to excavate;
- C. "cable television lines and related facilities" means the facilities of any cable television system or closed-

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1 circuit coaxial cable ~~communications~~ system or other similar  
2 transmission service used in connection with any cable  
3 television system or other similar closed-circuit coaxial cable  
4 ~~communications~~ system;

5 D. [~~"commission" means the public regulation~~  
6 ~~commission~~] "division" means the oil conservation division of  
7 the energy, minerals and natural resources department;

8 E. "emergency excavation" means an excavation that  
9 must be performed due to circumstances beyond the excavator's  
10 control and that affects public safety, health or welfare;

11 F. "excavate" means the movement or removal of  
12 earth using mechanical excavating equipment or blasting and  
13 includes augering, backfilling, digging, ditching, drilling,  
14 grading, plowing in, pulling in, ripping, scraping, trenching,  
15 tunneling and directional boring;

16 G. "excavator" means a person that excavates;

17 H. "means of location" means a mark such as a  
18 stake, a flag, whiskers or paint that is conspicuous in nature  
19 and that is designed to last at least ten working days if not  
20 disturbed;

21 I. "mechanical excavating equipment" means all  
22 equipment powered by any motor, engine or hydraulic or  
23 pneumatic device used for excavating and includes trenchers,  
24 bulldozers, backhoes, power shovels, scrapers, draglines, clam  
25 shells, augers, drills, cable and pipe plows or other plowing-

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1 in or pulling-in equipment;

2 J. "one-call notification system" means a  
3 communication system in which an operation center provides  
4 telephone services or other reliable means of communication for  
5 the purpose of receiving excavation notice information and  
6 distributing that information to owners and operators of  
7 pipelines and other underground facilities;

8 K. "person" means the legal representative of or an  
9 individual, partnership, corporation, joint venture, state,  
10 subdivision or instrumentality of the state or an association;

11 L. "pipeline" means a pipeline or system of  
12 pipelines and appurtenances for the transportation or movement  
13 of any oil or gas, or oil or gas products and byproducts, but  
14 does not include gathering lines or systems operated  
15 exclusively for the gathering of oil or gas, or oil and gas  
16 products and [~~their~~] byproducts, in any field or area; lines or  
17 systems constituting a part of any tank farm; plant facilities  
18 of any processing plant; or underground storage projects,  
19 unless [~~it is~~] they are located within a municipality or in the  
20 boundaries of an established easement or right of way or within  
21 the limits of any unincorporated city, town or village or  
22 within any designated residential or commercial area such as a  
23 subdivision, business or shopping center or community  
24 development;

25 M. "reasonable efforts" means notifying the

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1 appropriate one-call notification center or underground  
2 facility owner or operator of planned excavation;

3 N. "underground facility" means any tangible  
4 property described in Subsections C, L and O of this section  
5 that is underground, but does not include residential  
6 sprinklers or low-voltage lighting; and

7 O. "underground utility line" means an underground  
8 conduit or cable, including fiber optics, and related  
9 facilities for transportation and delivery of electricity,  
10 telephonic or telegraphic communications or water. "

11 Section 2. Section 62-14-7.1 NMSA 1978 (being Laws 1997,  
12 Chapter 30, Section 1, as amended) is amended to read:

13 "62-14-7.1. PIPELINE ONE-CALL NOTIFICATION SYSTEM --

14 A. [~~Every~~] An owner or operator of a pipeline  
15 facility shall be a member of a one-call notification system.  
16 A one-call notification system may be for a region of the state  
17 or statewide in scope, unless federal law provides otherwise.

18 B. Each one-call notification system shall be  
19 operated by:

- 20 (1) an owner or operator of pipeline  
21 facilities;
- 22 (2) a private contractor;
- 23 (3) a state or local government agency; or
- 24 (4) a person who is otherwise eligible under  
25 state law to operate a one-call notification system.

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1           C. If the one-call notification system is operated  
2 by owners or operators of pipeline facilities, it shall be  
3 established as a nonprofit entity governed by a board of  
4 directors that shall establish the operating processes,  
5 procedures and technology needed for a one-call notification  
6 system. The board shall further establish a procedure or  
7 formula to determine the equitable share of each member for the  
8 costs of the one-call notification system. The board may  
9 include representatives of excavators or other persons deemed  
10 eligible to participate in the system who are not owners or  
11 operators.

12           D. Excavators shall give advance notice to the one-  
13 call notification system operating in the intended excavation  
14 area and provide information established by rule of the  
15 [~~commission~~] division, except when excavations are by or for a  
16 person that:

17                   (1) owns or leases or owns a mineral leasehold  
18 interest in the real property on which the excavation occurs;  
19 and

20                   (2) operates all underground facilities  
21 located in the intended excavation area.

22           E. The one-call notification system shall promptly  
23 transmit excavation notice information to owners or operators  
24 of pipeline facilities in the intended excavation area.

25           F. After receiving advance notice, owners and

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1 operators of pipeline facilities shall locate and mark their  
2 pipeline facilities in the intended excavation area.

3 G. The one-call notification system shall provide a  
4 toll-free telephone number or another comparable and reliable  
5 means of communication to receive advance notice of excavation.  
6 Means of communication to distribute excavation notice to  
7 owners or operators of pipeline facilities shall be reliable  
8 and capable of coordination with one-call notification systems  
9 operating in other regions of the state.

10 H. Operators of one-call notification systems shall  
11 notify the [~~commission~~] division of its members and the name  
12 and telephone number of the contact person for each member and  
13 make available to the [~~commission~~] division appropriate records  
14 in investigations of alleged violations of Chapter 62, Article  
15 14 NMSA 1978.

16 I. One-call notification systems and owners and  
17 operators of pipeline facilities shall promote public awareness  
18 of the availability and operation of one-call notification  
19 systems and work with state and local governmental agencies  
20 charged with issuing excavation permits to provide information  
21 concerning and promoting awareness by excavators of one-call  
22 notification systems. "

23 Section 3. Section 62-14-8 NMSA 1978 (being Laws 1973,  
24 Chapter 252, Section 8, as amended) is amended to read:

25 "62-14-8. PENALTIES.--In addition to any other liability

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1 imposed by law, an excavator, after a formal hearing and upon a  
2 finding, who has failed to comply with Subsection C of Section  
3 62-14-3 NMSA 1978 is subject to an administrative penalty of up  
4 to five thousand dollars (\$5,000) for a first offense as  
5 assessed by the [~~commission~~] division. Thereafter, the  
6 [~~commission~~] division may assess an administrative penalty of  
7 up to a maximum of twenty-five thousand dollars (\$25,000) for  
8 subsequent violations of Subsection C of Section 62-14-3 NMSA  
9 1978. In addition to any other penalty imposed by law, an  
10 operator of underground pipeline facilities or underground  
11 utilities, excavator or operator of a one-call notification  
12 system, after formal hearing and upon a finding, who has  
13 willfully failed to comply with Chapter 62, Article 14 NMSA  
14 1978 and whose failure contributes to the damage of any  
15 pipeline or underground utility line shall be subject to an  
16 administrative penalty of up to five thousand dollars (\$5,000)  
17 for a first offense as assessed by the [~~commission~~] division.  
18 Thereafter, upon finding that a violation of Chapter 62,  
19 Article 14 NMSA 1978 has occurred, the [~~commission~~] division  
20 may, upon consideration of the nature, circumstances, gravity  
21 of the violation, history of prior violations, effect on public  
22 health, safety or welfare and good faith on the part of the  
23 person in attempting to remedy the cause of the violation,  
24 assess an administrative penalty up to a maximum of twenty-five  
25 thousand dollars (\$25,000) per violation consistent with

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1 federal law. No offense occurring more than five years prior  
2 to the current offense charged shall be considered for any  
3 purpose. All actions to recover the penalties provided for in  
4 this section shall be brought by the [~~commission~~] division.  
5 All penalties recovered in any such action shall be paid into  
6 the state general fund. "

7 Section 4. Section 62-14-9 NMSA 1978 (being Laws 1997,  
8 Chapter 30, Section 2) is amended to read:

9 "62-14-9. ENFORCEMENT. -- If any person excavates or  
10 intends to excavate in violation of Chapter 62, Article 14 NMSA  
11 1978, the [~~commission~~] division or any interested or affected  
12 owner or operator of an underground facility may file, in the  
13 district court of the county in which the excavation is  
14 occurring or intended, an action seeking to enjoin the  
15 excavation. "

16 Section 5. Section 62-14-9.1 NMSA 1978 (being Laws 2001,  
17 Chapter 150, Section 8) is amended to read:

18 "62-14-9.1. ALTERNATIVE DISPUTE RESOLUTION. -- The  
19 [~~commission~~] division shall promulgate rules for voluntary  
20 alternative dispute resolution procedures available to owners  
21 or operators, excavators and other interested parties regarding  
22 disputes that cannot be resolved through consultation and  
23 negotiation arising from damage to underground facilities,  
24 including any cost or damage incurred by the owner or operator  
25 or the excavator as a result of any delay in an excavation

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1 project while an underground facility is restored, repaired or  
2 replaced. The alternative dispute resolution procedure shall  
3 not affect civil penalties levied pursuant to Section 62-14-8  
4 NMSA 1978 or change the basis for civil liability for damages."

5 Section 6. Section 62-14-10 NMSA 1978 (being Laws 1997,  
6 Chapter 30, Section 3) is amended to read:

7 "62-14-10. RULEMAKING.--The [~~commission~~] division shall  
8 promulgate rules and regulations to implement the provisions of  
9 Chapter 62, Article 14 NMSA 1978."

10 Section 7. Section 70-3-12 NMSA 1978 (being Laws 1969,  
11 Chapter 71, Section 2, as amended) is amended to read:

12 "70-3-12. DEFINITIONS.--As used in the Pipeline Safety  
13 Act:

14 A. "person" means an individual, firm, joint  
15 venture, partnership, corporation, association, state,  
16 municipality, political subdivision, cooperative association,  
17 joint stock association or any combination thereof and includes  
18 any receiver, trustee, assignee or personal representative  
19 thereof;

20 B. [~~"commission" means the public regulation~~  
21 ~~commission~~] "division" means the oil conservation division of  
22 the energy, minerals and natural resources department;

23 C. "gas" means natural gas, flammable gas or gas  
24 that is toxic or corrosive;

25 D. "oil" means crude oil and liquid hydrocarbons

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1 and ~~manufactured~~ products derived from either;

2 E. "transportation of gas" means the gathering,  
3 transmission or distribution of gas by pipeline or its storage,  
4 except that it shall not include the gathering of gas in those  
5 rural locations that lie outside the limits of any ~~municipality~~  
6 or unincorporated city, town or village or any residential or  
7 commercial area such as a subdivision, a business or shopping  
8 center, a ~~community~~ development or any similar populated area  
9 that the [~~commission~~] division may define by order as a  
10 nonrural area;

11 F. "transportation of oil" means the transmission  
12 of oil by pipeline, except pipelines operated exclusively for  
13 the gathering of oil in any field or area or pipelines  
14 constituting a part of any tank farm, plant facilities of any  
15 processing plant, gasoline plant, refinery, carbon-black plant,  
16 recycling system or similar operations;

17 G. "gas pipeline facilities" means new and existing  
18 pipeline rights of way and any equipment, facility or structure  
19 used in the transportation of gas or the treatment of gas  
20 during the course of transportation;

21 H. "oil pipeline facilities" means new and existing  
22 pipeline rights of way and any equipment, facility or structure  
23 used in the transportation of oil; and

24 I. "intrastate pipeline facilities" means oil  
25 pipeline facilities or gas pipeline facilities within the state

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1 that are not gas pipeline facilities subject to the  
2 jurisdiction of the federal energy regulatory commission  
3 pursuant to the federal Natural Gas Act or oil pipeline  
4 facilities used in the transportation of oil in interstate or  
5 foreign commerce, except that it shall include pipeline  
6 facilities within the state that transport gas from an  
7 interstate gas pipeline to a direct sales customer within the  
8 state purchasing gas for its own consumption."

9 Section 8. Section 70-3-13 NMSA 1978 (being Laws 1969,  
10 Chapter 71, Section 3, as amended) is amended to read:

11 "70-3-13. POWERS AND DUTIES OF ~~[COMMISSION]~~ DIVISION. --

12 The ~~[commission]~~ division:

13 A. shall promulgate, amend, enforce and repeal  
14 reasonable regulations establishing minimum safety standards  
15 for the transportation of oil, hazardous liquids as defined in  
16 49 CFR 195.2 and gas and for the design, installation,  
17 inspection, testing, construction, extension, operation,  
18 replacement and maintenance, including internal and external  
19 surveillance for pipe integrity and installation of emergency  
20 flow restricting devices, of oil, hazardous liquid and gas  
21 pipeline facilities as may be required by federal law. Safety  
22 standards shall not be applicable to oil, hazardous liquid or  
23 gas pipeline facilities in existence on the date the safety  
24 standards are adopted; provided, however, that whenever the  
25 ~~[commission]~~ division upon investigation and hearing determines

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1 that an oil, hazardous liquid or gas pipeline facility is  
2 hazardous to life or property, it may require the person  
3 operating the oil, hazardous liquid or gas pipeline facility to  
4 take the steps necessary to remove the hazards. Safety  
5 regulations shall be practicable and designed to meet the need  
6 for pipeline safety. Safety rules promulgated for oil,  
7 hazardous liquid and gas pipeline facilities or the  
8 transportation of oil, hazardous liquids and gas shall be  
9 consistent with federal law and rules. Safety rules adopted  
10 hereunder shall not apply to any transportation of oil or oil  
11 pipeline facilities regulated by the federal department of  
12 transportation. Rules adopted pursuant to the Pipeline Safety  
13 Act shall substantially conform to federal pipeline safety  
14 rules;

15 B. may advise, consult, contract and cooperate with  
16 any agency of the federal government or any other state in  
17 projects of common interest in the regulation of safety of oil,  
18 hazardous liquid and gas pipeline facilities and the  
19 transportation of oil, hazardous liquids and gas and administer  
20 the authority delegated to the [~~commission~~] division by any  
21 contract with the federal government or any agency thereof;

22 C. may accept, receive, apply for or administer  
23 grants or other funds or gifts from public or private agencies,  
24 including the federal government, or from any other person;

25 D. may make investigations consistent with the

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1 Pipeline Safety Act and, in connection therewith, enter private  
2 or public property at all reasonable times. The results of  
3 investigations shall be reduced to writing if any enforcement  
4 action is contemplated and a copy thereof furnished to the  
5 operator of the oil, hazardous liquid or gas pipeline  
6 facilities investigated before any enforcement action is  
7 initiated; and

8 E. may require persons subject to the Pipeline  
9 Safety Act to maintain the records, file the reports and  
10 develop the plans for inspection and maintenance of oil,  
11 hazardous liquid or gas pipeline facilities as the [~~commission~~]  
12 division may, by rule, require for proper administration of the  
13 Pipeline Safety Act; provided, however, that the use of the  
14 term "rights of way" does not authorize the [~~commission~~]  
15 division to prescribe the location or routing of any oil,  
16 hazardous liquid or gas pipeline facility."

17 Section 9. Section 70-3-15 NMSA 1978 (being Laws 1969,  
18 Chapter 71, Section 5) is amended to read:

19 "70-3-15. VALIDITY OF REGULATION-- JUDICIAL REVIEW. --

20 A. Any person who is a party to any proceeding  
21 before the [~~commission~~] division and who is or may be adversely  
22 affected by a regulation adopted by the [~~commission~~] division  
23 or by any order of the [~~commission~~] division may appeal by  
24 petition to the court of appeals for such relief as may be  
25 granted by the court, charging in the petition that the

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1 regulation or order is unreasonable, unlawful, capricious,  
2 arbitrary, inappropriate for the particular type of pipeline  
3 transportation or fails to contribute to the public safety.  
4 The petition shall name the [~~New Mexico corporation commission~~]  
5 division as the appellee [~~therein~~] and shall state briefly the  
6 nature of the proceeding before the [~~commission~~] division and  
7 shall set forth the regulation or order complained of and the  
8 grounds upon which the petitioner will rely. Appeal shall be  
9 upon the record made at the [~~commission~~] division hearing on  
10 the regulation or order and shall be taken:

11 (1) within thirty days after the regulation is  
12 filed in accordance with the provisions of the State Rules Act;  
13 or

14 (2) within thirty days after the effective  
15 date of the [~~commission's~~] divisions's order, whichever is the  
16 later date.

17 B. An appeal does not stay the operation of the  
18 [~~commission's~~] division's order or regulation unless the court  
19 of appeals orders a stay of the operation of the order or  
20 regulation on such terms as it deems just and in accordance  
21 with the practice of the courts exercising equity  
22 jurisdiction. "

23 Section 10. Section 70-3-16 NMSA 1978 (being Laws 1969,  
24 Chapter 71, Section 6) is amended to read:

25 "70-3-16. WAIVER OF REGULATIONS. -- Upon application by any  
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1 person engaged in the transportation of gas or oil or owning or  
2 operating gas or oil pipeline facilities, the [~~commission~~  
3 division may, after notice and opportunity for hearing and  
4 under such terms and conditions and to such extent as the  
5 [~~commission~~] division deems appropriate, waive compliance with  
6 any regulation established under the Pipeline Safety Act if the  
7 [~~commission~~] division determines that a waiver of compliance  
8 with the regulation is not inconsistent with pipeline safety.  
9 Any waiver for the transportation of gas or for gas pipeline  
10 facilities shall be subject to approval by the federal agency  
11 having jurisdiction as provided in Section 3(e) of the Natural  
12 Gas Pipeline Safety Act of 1968 [~~being Public Law 90-481~~]. "

13 Section 11. Section 70-3-17 NMSA 1978 (being Laws 1969,  
14 Chapter 71, Section 7) is amended to read:

15 "70-3-17. CONTINUITY OF SERVICE. -- When a proposed  
16 regulation or [~~commission~~] division order will or may affect  
17 continuity of any gas service, the [~~commission~~] division shall  
18 consult with any other state or federal agency having  
19 jurisdiction over the affected transportation of gas or gas  
20 pipeline facility before adopting the regulation or order and  
21 shall defer the effective date of the regulation or order until  
22 the other state or federal agency has had reasonable  
23 opportunity to take such action as it [~~shall deem~~] deems  
24 necessary. "

25 Section 12. Section 70-3-18 NMSA 1978 (being Laws 1969,

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1 Chapter 71, Section 8) is amended to read:

2 "70-3-18. COMPLIANCE. - -

3 A. ~~Each~~ A person who engages in the  
4 transportation of oil or gas or who owns or operates oil or gas  
5 pipeline facilities shall:

6 (1) at all times after the effective date of  
7 any regulation, comply with the requirements of the regulation;

8 (2) comply with any plan of inspection and  
9 maintenance required to be filed with the ~~[commission]~~ division  
10 by the person; and

11 (3) permit the ~~[commission]~~ division access to  
12 or the copying of pertinent records and make reports or provide  
13 information to the ~~[commission]~~ division as may be reasonably  
14 required and permit entry to or inspection of its gas or oil  
15 pipeline facilities by the ~~[commission]~~ division.

16 B. Nothing in the Pipeline Safety Act shall affect  
17 the common law or statutory tort liability of any person. "

18 Section 13. Section 70-3-19 NMSA 1978 (being Laws 1969,  
19 Chapter 71, Section 9, as amended) is amended to read:

20 "70-3-19. ENFORCEMENT--PENALTIES. - -

21 A. If as a result of investigation the ~~[commission]~~  
22 division has good cause to believe that any person is violating  
23 any provision of Subsection A of Section 70-3-18 NMSA 1978 or  
24 any regulation adopted by the ~~[commission]~~ division under the  
25 Pipeline Safety Act, the ~~[commission]~~ division shall, when

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1 practicable and except in the case of a knowing and willful  
2 violation, give the person notice of the violation and an  
3 opportunity to comply. If the [~~commission~~] division is unable  
4 within a reasonable time to obtain voluntary cooperation to  
5 prevent the continuing violation, the [~~commission~~] division may  
6 apply for an injunction in the district court of the county in  
7 which the violation occurs to secure compliance. The failure  
8 to give notice and afford an opportunity to comply shall not  
9 preclude the granting of injunctive relief.

10 B. In any action to enforce the provisions of the  
11 Pipeline Safety Act or any regulation of the [~~commission~~]  
12 division, the [~~commission~~] division and the state shall be  
13 represented by the attorney general.

14 C. The trial before the district court shall be  
15 before the court without jury, and the court shall enter  
16 judgment and orders enforcing the judgment as the public  
17 interest and equities of the case may require.

18 D. Any person owning or operating gas pipeline  
19 facilities or engaged in the transportation of gas or owning or  
20 operating oil pipeline facilities or engaged in the  
21 transportation of oil who has been determined by order of the  
22 [~~commission~~] division after hearing to have violated any  
23 provision of Subsection A of Section 70-3-18 NMSA 1978 or any  
24 regulation promulgated under the Pipeline Safety Act applicable  
25 to intrastate pipeline facilities shall be subject to a civil

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1 penalty in an amount not to exceed twenty-five thousand dollars  
2 (\$25,000) for each violation for each day that the violation  
3 persists, except that the maximum civil penalty shall not  
4 exceed five hundred thousand dollars (\$500,000) for any related  
5 series of violations.

6 E. In determining the amount of the penalty, the  
7 [~~commission~~] division shall consider the nature, circumstances  
8 and gravity of the violation and, with respect to the person  
9 found to have committed the violation, the degree of  
10 culpability, any history of prior violations, the effect on  
11 ability to continue to do business, any good faith in  
12 attempting to achieve compliance, ability to pay the penalty  
13 and such other matters as justice may require.

14 F. Judicial review of any provision of this section  
15 may be accomplished in the same manner as is found in Section  
16 70-3-15 NMSA 1978.

17 G. Any person who willfully and knowingly injures  
18 or destroys or attempts to injure or destroy an intrastate  
19 pipeline facility shall upon conviction be subject for each  
20 offense to a fine not to exceed twenty-five thousand dollars  
21 (\$25,000) or imprisonment for a term not to exceed fifteen  
22 years, or both.

23 H. Any person who willfully and knowingly damages,  
24 removes or destroys any pipeline sign, right-of-way marker  
25 required by the Pipeline Safety Act or any regulation or order

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1 issued ~~[thereunder]~~ pursuant to that act shall upon conviction  
2 be subject for each offense to a fine of not more than five  
3 thousand dollars (\$5,000) or imprisonment for a term not to  
4 exceed one year, or both. "

5 Section 14. Section 70-3-20 NMSA 1978 (being Laws 1969,  
6 Chapter 71, Section 10) is amended to read:

7 "70-3-20. PIPELINE SAFETY ENGINEER AND STAFF. --The  
8 ~~[commission]~~ division shall appoint a professional engineer who  
9 shall have at least five years' actual experience in the  
10 design, construction, maintenance and operation of oil or gas  
11 pipeline facilities and who shall be designated "pipeline  
12 safety engineer". The ~~[commission]~~ division shall retain such  
13 other personnel as may be necessary to carry out the provisions  
14 of the Pipeline Safety Act, and the ~~[commission]~~ division  
15 shall, subject to state laws and regulations covering  
16 classification and compensation of state employees, be  
17 empowered and authorized to fix the compensation to be paid the  
18 pipeline safety engineer ~~[and]~~. The compensation of other  
19 personnel employed under the authority of this section shall be  
20 subject to the state Personnel Act. "

21 Section 15. TEMPORARY PROVISION--TRANSFER OF PERSONNEL,  
22 PROPERTY, CONTRACTS AND REFERENCES IN LAW. --On July 1, 2003:

23 A. all personnel, appropriations, money, records,  
24 equipment, supplies and other property of the pipeline safety  
25 office of the public regulation ~~commission~~ shall be transferred

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1 to the oil conservation division of the energy, minerals and  
2 natural resources department;

3 B. all contracts of the pipeline safety office of  
4 the public regulation commission shall be transferred to the  
5 oil conservation division of the energy, minerals and natural  
6 resources department; and

7 C. all references in law to the pipeline safety  
8 office of the public regulation commission shall be deemed to  
9 be references to the oil conservation division of the energy,  
10 minerals and natural resources department.

11 Section 16. APPROPRIATION. -- Three hundred twenty-five  
12 thousand dollars (\$325,000) is appropriated from the general  
13 fund to the oil conservation division of the energy, minerals  
14 and natural resources department for expenditure in fiscal year  
15 2004 to employ twelve full-time-equivalent positions to assume  
16 primacy from the United States department of transportation for  
17 interstate pipeline inspection duties. Any unexpended or  
18 unencumbered balance remaining at the end of fiscal year 2004  
19 shall revert to the general fund.

20 Section 17. EFFECTIVE DATE. -- The effective date of the  
21 provisions of this act is July 1, 2003.

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