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HOUSE BILL 23

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

John A. Heaton

FOR THE RADIOACTIVE AND HAZARDOUS MATERIALS COMMITTEE

AN ACT

**RELATING TO PIPELINES; CREATING THE PIPELINE SAFETY FUND;
AUTHORIZING THE IMPOSITION OF PIPELINE SAFETY INSPECTION FEES
BY THE PUBLIC REGULATION COMMISSION; MAKING AN APPROPRIATION.**

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

**Section 1. A new section of the Pipeline Safety Act is
enacted to read:**

**"[NEW MATERIAL] PIPELINE SAFETY FUND--CREATED--ASSESSMENT
AND COLLECTION OF FEES.--**

**A. The "pipeline safety fund" is created in the
state treasury for the purpose of enhancing the staffing and
training of the pipeline safety bureau of the commission with
the goal of assuming the function of inspection of interstate
as well as intrastate pipelines. The fund shall consist of
fees collected pursuant to Subsection D of this section,**

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1 appropriations, gifts, grants, donations and earnings from
2 investment of the fund. Balances in the fund shall not be
3 transferred to the general fund at the end of any fiscal year.

4 B. The pipeline safety fund shall be administered
5 by the commission. Money in the fund is appropriated to the
6 commission to carry out its duties pursuant to the provisions
7 of the Pipeline Safety Act and Chapter 62, Article 14 NMSA
8 1978.

9 C. Payments from the pipeline safety fund shall be
10 made upon vouchers issued and signed by the director of the
11 administrative services division of the commission or the
12 director's authorized representative upon warrants drawn by the
13 secretary of finance and administration.

14 D. The commission shall collect pipeline safety
15 fees from persons subject to the Pipeline Safety Act in
16 accordance with and not to exceed the following amounts:

17 (1) for the transportation of gas:

18 (a) two dollars (\$2.00) per service
19 line;

20 (b) thirty-five dollars (\$35.00) per
21 mile of gathering line, transmission line or distribution main,
22 with a minimum assessment of four hundred dollars (\$400); and

23 (c) one hundred dollars (\$100) per
24 master meter, direct sales lateral or petroleum gas system; and

25 (2) for the transportation of oil, thirty-five

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1 dollars (\$35.00) per mile of transmission line, with a minimum
2 assessment of four hundred dollars (\$400).

3 E. The commission shall annually conduct a public
4 review of the fees collected and payments made from the fund
5 and provide a summary to the legislative finance committee and
6 the department of finance and administration. Based upon its
7 findings, the commission shall adjust the fee rates authorized
8 by Subsection D of this section in order to collect only that
9 amount estimated to be necessary to carry out the provisions of
10 the Pipeline Safety Act and Chapter 62, Article 14 NMSA 1978. "

11 Section 2. A new section of the Public Utility Act is
12 enacted to read:

13 "[NEW MATERIAL] PIPELINE SAFETY FEE. --A public utility
14 that is assessed a pipeline safety fee shall be entitled to
15 collect the fee from its rate payers without the requirement of
16 a request for a change in rates. The utility shall notify the
17 commission in writing of the imposition and amount of the fee
18 and, if practicable, shall show the fee as a separate line item
19 on its bill statements to consumers. "

20 Section 3. APPROPRIATION. --Three hundred thousand dollars
21 (\$300,000) is appropriated from the general fund to the
22 pipeline safety fund for expenditure in fiscal year 2005 and
23 subsequent fiscal years for expansion of the pipeline safety
24 bureau of the public regulation commission to carry out the
25 safety, inspection and enforcement provisions of the Pipeline

1 Safety Act and Chapter 62, Article 14 NMSA 1978. Any
2 unexpended or unencumbered balance remaining at the end of a
3 fiscal year shall not revert to the general fund.

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