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## FISCAL IMPACT REPORT

SPONSOR Bratton DATE TYPED 2/12/04 HB 572/aHENRC

SHORT TITLE Oil & Gas Hearing Transcript Requirements SB \_\_\_\_\_

ANALYST Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			(\$10.0)	Recurring	General Fund

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Energy, Minerals & Natural Resources (EMNRD)  
State Land Office (SLO)

### SUMMARY

#### Synopsis of HENRC Amrndment

The House Energy & Natural Resources Committee amendment requires a transcript of the testimony shall be prepared when deemed necessary by the Oil Conservation (OCD) or at the request of a party, when the request is accompanied by a statement of the necessity for preparation of a transcript deemed reasonable by the OCD. The amendment clarifies the language and removes the requirement that a party who requests the transcripts had to have appeared at the hearing.

#### Synopsis of Original Bill

House Bill 572 amends the provisions of the Oil and Gas Act and the Geothermal Resources Act governing procedures for hearings conducted by hearing examiners appointed by EMNRD's Oil Conservation Division (OCD) to eliminate the requirement that a transcript of the testimony be prepared in every case.

This bill provides that a transcript may be requested by the OCD or by any party.

### Significant Issues

Both the Oil and Gas Act and the Geothermal Resources Act require that a transcript be made of every hearing conducted by a hearing examiner. Statutes providing for administrative hearings conducted by other agencies do not impose this requirement. Most of the hearings conducted by OCD examiners are uncontested, and a very large number result in the issuance of essentially fill-in-the-blank, form orders. In such cases, neither the OCD nor the parties have any need for a transcript of the testimony. Review of such decisions is *de novo*, so that no reviewing authority will need a transcript.

### **FISCAL IMPLICATIONS**

OCD estimates that transcript preparation costs the agency \$25-\$30 thousand per year, of which at least \$10 thousand can be saved by not preparing transcripts in cases where they are neither needed nor requested.

### **TECHNICAL ISSUES**

EMNRD provided the following:

The bill as presently drafted provides, "A transcript of the testimony shall be prepared, accompanied by a reasonable statement of the necessity therefor, when deemed necessary by the Division, or at the request of a party who appeared at the hearing. [emphasis added]" The underlined language should be moved to the end of the sentence, so that it would read, "A transcript of the testimony shall be prepared when deemed necessary by the Division, or at the request of a party who appeared at the hearing, accompanied by a reasonable statement of the necessity therefor." That is, the request for a transcript, not the transcript, should be accompanied by a reasonable statement of necessity.

**DW/dm**