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FISCAL IMPACT REPORT

	ORIGINAL DATE 2/20/07		
SPONSOR	LAST UPDATED 3/05/07	HB	908/aHCPAC/aHBIC
	UNDERGROUND PIPELINE ONE-CALL		
SHORT TITLE	NOTIFICATION	SB	
		ANALYST	Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 794

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee (HBIC) amended the definition of “pipeline” to include the word “their” in the following phrase: “oil or gas products and their byproducts.”

Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee (HCPAC) amendment provides a date, April 15, 2008, by which underground facility operators must be members of the “one-call” notification system, unless earlier membership is required by federal law. The amendment also adds a new subsection allowing the PRC to prescribe maximum rates, subject to contestation, for the provision of one-call services in New Mexico.

Synopsis of Original Bill

House Bill 908 amends section 62-14-2 to eliminate the exclusion for rural gathering of natural gas and hazardous liquid to comply with recent changes to federal pipeline safety regulations and

clarify that sewer and fire protection systems are considered underground facilities. The bill amends section 62-14-7 to require membership to a “one-call” notification system for all underground facility operators.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

According to PRC, the proposed changes respond to requests from excavators, road grading contractors, and many underground facility owners themselves. Current law requires persons who perform excavation work to contact the owners of underground facilities two days prior to commencing the excavation work. Excavators do this routinely by contacting the one-call center, who in turn contacts their membership. In cases where the underground facility owner is not a member of the one-call center, current law requires the excavator to contact that facility owner directly. Since the facility is underground and since no surface indication may be readily visible to indicate that an underground facility may indeed exist and to identify the responsible underground facility owner, the excavator is placed in a tenuous situation and exposes both the excavator’s personnel and the underground facility to unsafe conditions. The changes would eliminate such confusion by requiring membership in the one-call systems.

ADMINISTRATIVE IMPLICATIONS

PRC notes that the proposed revisions would enhance the administration and enforcement of the excavation damage prevention statute by PRC’s Pipeline Safety Bureau. The elimination of the gathering exemption impacts the natural gas and hazardous liquid production areas in northwest and southeast New Mexico, although most companies with gathering facilities are already voluntary members of the one-call system. Similarly, most electric, telecommunications and water companies, including municipalities that operate underground facilities are members of the one-call system.

The membership requirements would impact mostly smaller, rural water systems. Although even these smaller systems must comply with the notification, records, and locating requirements, many have not joined the one-call system for various reasons. The NM One-Call system has agreed to allow these smaller systems to become members at minimal cost.

DUPLICATION

House Bill 908 duplicates Senate Bill 794.

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