1	HOUSE BILL 770
2	44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999
3	INTRODUCED BY
4	Raymond G. Sanchez
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10	AN ACT
11	RELATING TO NATURAL RESOURCES; PROVIDING FOR A STUDY OF THE
12	ECONOMIC FEASIBILITY OF ADDITIONAL NATURAL GAS PIPELINE
13	SYSTEMS; AUTHORIZING THE ENERGY, MINERALS AND NATURAL
14	RESOURCES DEPARTMENT TO BUILD AND OPERATE A PIPELINE SYSTEM
15	FUNDED BY TRANSPORTATION BONDS ISSUED BY THE STATE HIGHWAY AND
16	TRANSPORTATION DEPARTMENT.
17	
18	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
19	Section 1. FINDINGS AND PURPOSE
20	A. The legislature finds that:
21	(1) the natural gas industry is an important
22	contributor to the New Mexico economy, as a significant source
23	of both employment and direct state revenues;
24	(2) New Mexico ranks second among the states
25	in onshore natural gas reserves and will likely continue to be
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a major producer of natural gas for the foreseeable future;

(3) a study funded by Laws 1996, Chapter 7
 concluded that an additional pipeline capable of transporting
 New Mexico natural gas to additional markets was, at that
 time, not economically feasible; and

(4) the study should be updated on a regular basis and, if the results show that such a pipeline is economically feasible and otherwise in the best interests of the state, but that private entities are not willing to undertake the building and operation of the pipeline, a method should be found for the state or its contractors to finance, build and operate the pipeline.

B. The purpose of this act is to provide a mechanism for the continuous monitoring of the need for an additional natural gas pipeline in New Mexico and, if necessary, to provide a mechanism for financing, building and operating such a pipeline.

Section 2. NATURAL GAS PIPELINE STUDY--ADDITIONAL DUTIES.--

A. The state highway and transportation department, the energy, minerals and natural resources department and the economic development department shall jointly continue to study the costs and benefits of financing, building and operating a pipeline to transport natural gas produced in New Mexico to additional markets. The study shall . 127526.1

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(1) the economic feasibility of the proposed pipeline;

(2) the necessity of the proposed pipeline;and

(3) alternatives to the proposed pipeline andthe environmental or economic benefit of the alternatives.

В. If, at any time, the study concludes that an additional natural gas pipeline is necessary, the energy, minerals and natural resources department shall give notice to all persons the department finds, in its sole discretion, to be interested in or affected by the pipeline. If, after six months from the notice, the department finds that the need still exists and persons capable of meeting the need for the pipeline have not acted or proposed to act in a manner capable of meeting the need, the energy, minerals and natural resources department may consult with the economic development department, the state highway and transportation department and the state highway commission concerning whether the pipeline should be considered a "transportation system" for the purposes of Sections 67-3-71 through 67-3-77 NMSA 1978.

C. If the energy, minerals and natural resources department, the economic development department, the state highway and transportation department and the state highway commission agree that the pipeline should be a transportation . 127526.1

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1 system, the state highway and transportation department may 2 acquire property pursuant to Section 67-3-71 NMSA 1978 and the state highway commission may issue transportation bonds 3 4 pursuant to Sections 67-3-72 through 67-3-76 NMSA 1978. Any 5 property acquired and the proceeds of any transportation bonds sold shall be transferred to the energy, minerals and natural 6 7 resources department for the purposes of designing, 8 constructing and operating the pipeline; provided that the net 9 income generated by the operation of the pipeline shall be 10 pledged and used only by the state highway commission to pay 11 the transportation bonds.

D. The energy, minerals and natural resources department, the state highway and transportation department and the economic development department shall annually report to the legislature on the results of the study required by Subsection A of this section and on any activities conducted pursuant to Subsections B and C of this section.

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1	FORTY-FOURTH LEGI SLATURE
2	FIRST SESSION, 1999
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6	February 22, 1999
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8	Mr. Speaker:
9	m. Speaker.
10	Your <b>ENERGY AND NATURAL AND RESOURCES</b>
11	<b>COMMITTEE,</b> to whom has been referred
12	
13	HOUSE BILL 770
14	has had it under consideration and reports some with
15	has had it under consideration and reports same with recommendation that it <b>DO PASS</b> , and thence referred to the
16	TAXATION AND REVENUE COMMITTEE.
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18	Respectfully submitted,
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22	Janes Roger Madalena, Chairman
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	1	FORTY- FOURTH LEGI SLATURE			
	2	FIRST SESSION, 1999			
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	5	March 3, 1999			
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	7	Mr. Speaker:			
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	9	Your TAXATION AND REVENUE COMMITTEE, to whom has			
	10	been referred			
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	12	HOUSE BILL 770			
	13	has had it under consideration and reports same with			
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1	FORTY-FOURTH LEGISLATURE FIRST SESSION
2	FIRST SESSION
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4	March 5, 1999
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	HOUSE FLOOR AMENDMENT number to HOUSE BILL 770
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	Amendment sponsored by Representative Jerry W. Sandel
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11	1. On page 1, line 13, after "SYSTEMS" strike the remainder of the line and strike all of lines 14 through 16 and insert in lieu
	thereof a period.
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14	2. On page 2, line 9, after the comma strike the remainder of
15	the line and strike all of lines 10 through 12 and insert in lieu
16	thereof "the legislature should take such actions as necessary.".
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18	3. On page 2, line 14, strike "the continuous monitoring of" and
19	insert in lieu thereof "monitoring".
20	
21	4. On page 2, line 15, after "Mexico" strike the remainder of
22	the line and strike all of lines 16 and 17 and insert in lieu thereof
23	a period.
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## FORTY-FOURTH LEGI SLATURE FIRST SESSION

<sup>2</sup>HF1/SB 770 Page 12 3 On page 2, line 23, after "jointly" strike the remainder of 5. 4 the line and strike line 24 through "pipeline" and insert in lieu 5 thereof "study the need for additional natural gas pipelines". 6 On page 3, line 17, after "department" strike the remainder 6. 7 of the line, strike all of line 18 and strike line 19 through 8 concerning" and insert in lieu thereof ", the state highway and 9 transportation department and the economic development department 10 shall report to the legislature on the results of the study required 11 by Subsection A of this section, including any activities conducted 12 pursuant to this subsection. The report shall address". 13

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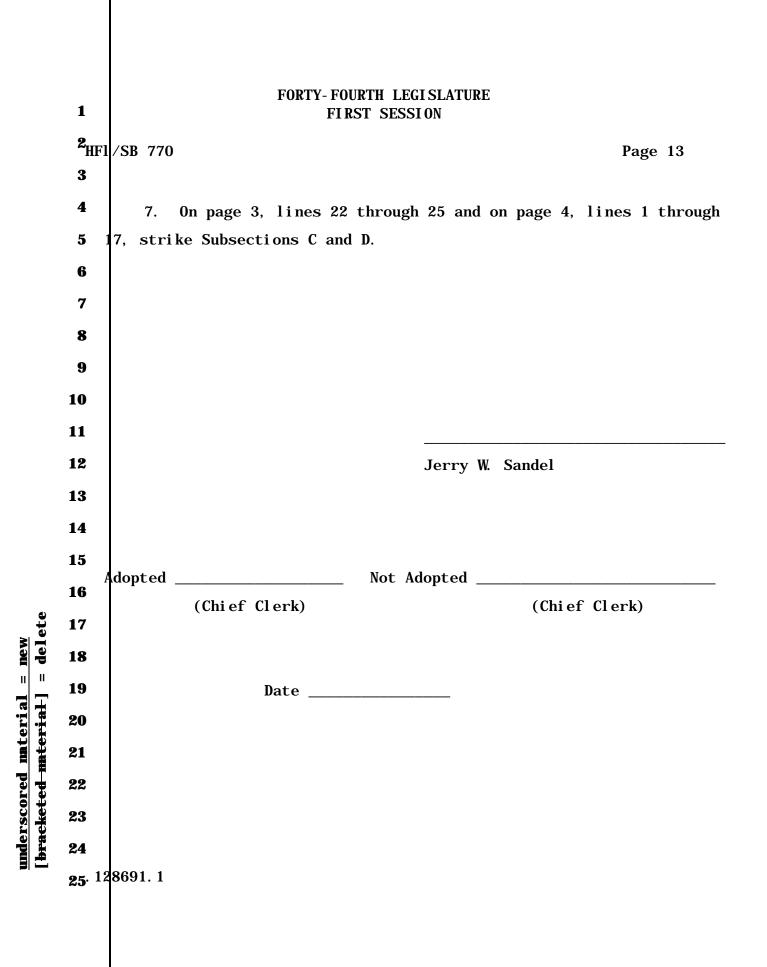
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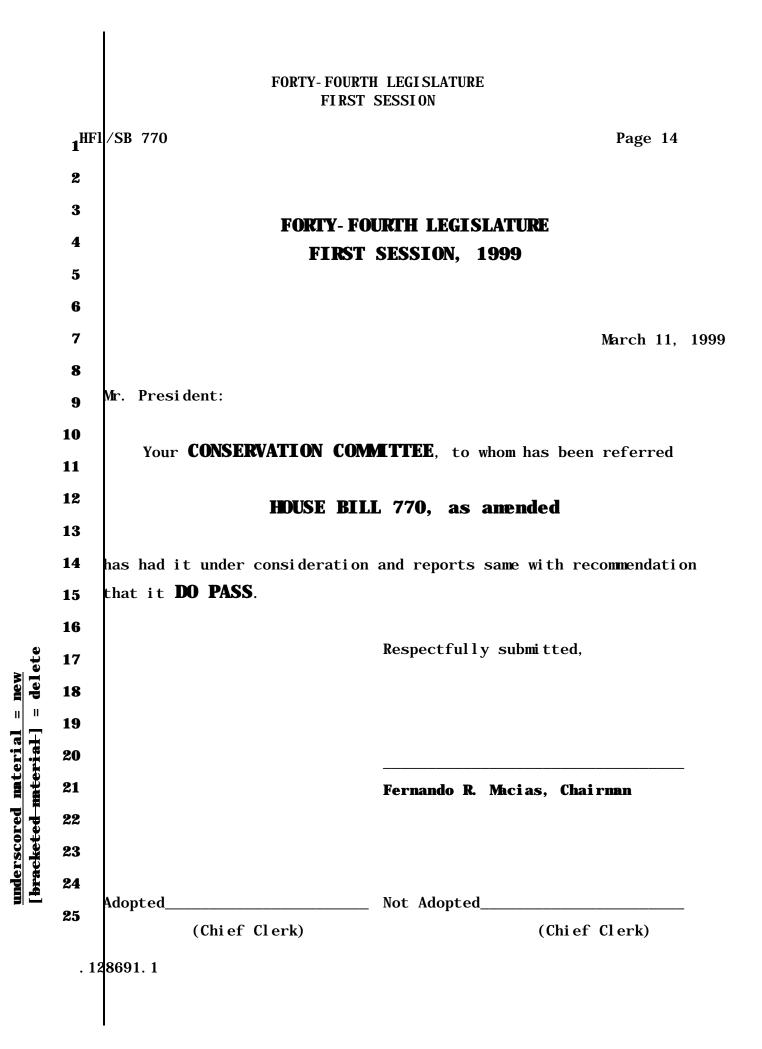
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		6	The roll	call vote was <u>6</u> For <u>0</u> Against	
		7	Yes:	6	
		8	No:	None	
		9	Excused:	Eisenstadt, Griego, Lyons, Sanchez	
		10	Absent:	None	
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