

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE SUBSTITUTE FOR
HOUSE BILL 490

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

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-

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.

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

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; and

9 J. "interstate pipeline facilities" means gas
10 pipeline facilities within the state that are not gas pipeline
11 facilities subject to the jurisdiction of the federal energy
12 regulatory commission pursuant to the federal Natural Gas Act,
13 except that it shall not include pipeline facilities within the
14 state that transport gas from an interstate gas pipeline to a
15 direct sales customer within the state purchasing gas for its
16 own consumption, and oil pipeline facilities used in the
17 transportation of oil in interstate or foreign commerce."

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

20 "70-3-13. POWERS AND DUTIES OF ~~COMMISSION~~ DIVISION. --
21 The ~~commission~~ division:

22 A. shall promulgate, amend, enforce and repeal
23 reasonable regulations establishing minimum safety standards
24 for the transportation of oil, hazardous liquids as defined in
25 49 CFR 195.2 and gas and for the design, installation,

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1 inspection, testing, construction, extension, operation,
2 replacement and maintenance, including internal and external
3 surveillance for pipe integrity and installation of emergency
4 flow restricting devices, of oil, hazardous liquid and gas
5 pipeline facilities as may be required by federal law. Safety
6 standards shall not be applicable to oil, hazardous liquid or
7 gas pipeline facilities in existence on the date the safety
8 standards are adopted; provided, however, that whenever the
9 [~~commission~~] division upon investigation and hearing determines
10 that an oil, hazardous liquid or gas pipeline facility is
11 hazardous to life or property, it may require the person
12 operating the oil, hazardous liquid or gas pipeline facility to
13 take the steps necessary to remove the hazards. Safety
14 regulations shall be practicable and designed to meet the need
15 for pipeline safety. Safety rules promulgated for oil,
16 hazardous liquid and gas pipeline facilities or the
17 transportation of oil, hazardous liquids and gas shall be
18 consistent with federal law and rules. Safety rules adopted
19 hereunder shall not apply to any transportation of oil or oil
20 pipeline facilities regulated by the federal department of
21 transportation. Rules adopted pursuant to the Pipeline Safety
22 Act shall substantially conform to federal pipeline safety
23 rules;

24 B. may advise, consult, contract and cooperate with
25 any agency of the federal government or any other state in

1 projects of common interest in the regulation of safety of oil,
2 hazardous liquid and gas pipeline facilities and the
3 transportation of oil, hazardous liquids and gas and administer
4 the authority delegated to the [~~commission~~] division by any
5 contract with the federal government or any agency thereof;

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

9 D. may make investigations consistent with the
10 Pipeline Safety Act and, in connection therewith, enter private
11 or public property at all reasonable times. The results of
12 investigations shall be reduced to writing if any enforcement
13 action is contemplated and a copy thereof furnished to the
14 operator of the oil, hazardous liquid or gas pipeline
15 facilities investigated before any enforcement action is
16 initiated; [~~and~~]

17 E. may require persons subject to the Pipeline
18 Safety Act to maintain the records, file the reports and
19 develop the plans for inspection and maintenance of oil,
20 hazardous liquid or gas pipeline facilities as the [~~commission~~]
21 division may, by rule, require for proper administration of the
22 Pipeline Safety Act; provided, however, that the use of the
23 term "rights of way" does not authorize the [~~commission~~]
24 division to prescribe the location or routing of any oil,
25 hazardous liquid or gas pipeline facility;

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1 F. may assume oversight responsibilities from the
2 United States department of transportation with respect to
3 interstate pipeline facilities; and

4 G. may, by regulation after a public hearing,
5 assess and collect a reasonable fee for inspection and
6 enforcement of intrastate and interstate pipeline facilities."

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

9 "70-3-15. VALIDITY OF REGULATION-- JUDICIAL REVIEW. --

10 A. Any person who is a party to any proceeding
11 before the [~~commission~~] division and who is or may be adversely
12 affected by a regulation adopted by the [~~commission~~] division
13 or by any order of the [~~commission~~] division may appeal by
14 petition to the court of appeals for such relief as may be
15 granted by the court, charging in the petition that the
16 regulation or order is unreasonable, unlawful, capricious,
17 arbitrary, inappropriate for the particular type of pipeline
18 transportation or fails to contribute to the public safety.

19 The petition shall name the [~~New Mexico corporation commission~~]
20 division as the appellee [~~therein~~] and shall state briefly the
21 nature of the proceeding before the [~~commission~~] division and
22 shall set forth the regulation or order complained of and the
23 grounds upon which the petitioner will rely. Appeal shall be
24 upon the record made at the [~~commission~~] division hearing on
25 the regulation or order and shall be taken:

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

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

7 B. An appeal does not stay the operation of the
8 [~~commission's~~] division's order or regulation unless the court
9 of appeals orders a stay of the operation of the order or
10 regulation on such terms as it deems just and in accordance
11 with the practice of the courts exercising equity
12 jurisdiction. "

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

15 "70-3-16. WAIVER OF REGULATIONS.-- Upon application by any
16 person engaged in the transportation of gas or oil or owning or
17 operating gas or oil pipeline facilities, the [~~commission~~]
18 division may, after notice and opportunity for hearing and
19 under such terms and conditions and to such extent as the
20 [~~commission~~] division deems appropriate, waive compliance with
21 any regulation established under the Pipeline Safety Act if the
22 [~~commission~~] division determines that a waiver of compliance
23 with the regulation is not inconsistent with pipeline safety.
24 Any waiver for the transportation of gas or for gas pipeline
25 facilities shall be subject to approval by the federal agency

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1 having jurisdiction as provided in Section 3(e) of the Natural
2 Gas Pipeline Safety Act of 1968 [~~being Public Law 90-481~~]. "

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

5 "70-3-17. CONTINUITY OF SERVICE. -- When a proposed
6 regulation or [~~commission~~] division order will or may affect
7 continuity of any gas service, the [~~commission~~] division shall
8 consult with any other state or federal agency having
9 jurisdiction over the affected transportation of gas or gas
10 pipeline facility before adopting the regulation or order and
11 shall defer the effective date of the regulation or order until
12 the other state or federal agency has had reasonable
13 opportunity to take such action as it [~~shall deem~~] deems
14 necessary. "

15 Section 12. Section 70-3-18 NMSA 1978 (being Laws 1969,
16 Chapter 71, Section 8) is amended to read:

17 "70-3-18. COMPLIANCE. --

18 A. [~~Each~~] A person who engages in the
19 transportation of oil or gas or who owns or operates oil or gas
20 pipeline facilities shall:

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

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

1 (3) permit the [~~commissi-on~~] division access to
2 or the copying of pertinent records and make reports or provide
3 information to the [~~commissi-on~~] division as may be reasonably
4 required and permit entry to or inspection of its gas or oil
5 pipeline facilities by the [~~commissi-on~~] division.

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

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

10 "70-3-19. ENFORCEMENT--PENALTIES.--

11 A. If as a result of investigation the [~~commissi-on~~]
12 division has good cause to believe that any person is violating
13 any provision of Subsection A of Section 70-3-18 NMSA 1978 or
14 any regulation adopted by the [~~commissi-on~~] division under the
15 Pipeline Safety Act, the [~~commissi-on~~] division shall, when
16 practicable and except in the case of a knowing and willful
17 violation, give the person notice of the violation and an
18 opportunity to comply. If the [~~commissi-on~~] division is unable
19 within a reasonable time to obtain voluntary cooperation to
20 prevent the continuing violation, the [~~commissi-on~~] division may
21 apply for an injunction in the district court of the county in
22 which the violation occurs to secure compliance. The failure
23 to give notice and afford an opportunity to comply shall not
24 preclude the granting of injunctive relief.

25 B. In any action to enforce the provisions of the

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1 Pipeline Safety Act or any regulation of the [~~commission~~]
2 division, the [~~commission~~] division and the state shall be
3 represented by the attorney general.

4 C. The trial before the district court shall be
5 before the court without jury, and the court shall enter
6 judgment and orders enforcing the judgment as the public
7 interest and equities of the case may require.

8 D. Any person owning or operating gas pipeline
9 facilities or engaged in the transportation of gas or owning or
10 operating oil pipeline facilities or engaged in the
11 transportation of oil who has been determined by order of the
12 [~~commission~~] division after hearing to have violated any
13 provision of Subsection A of Section 70-3-18 NMSA 1978 or any
14 regulation promulgated under the Pipeline Safety Act applicable
15 to intrastate pipeline facilities shall be subject to a civil
16 penalty in an amount not to exceed twenty-five thousand dollars
17 (\$25,000) for each violation for each day that the violation
18 persists, except that the maximum civil penalty shall not
19 exceed five hundred thousand dollars (\$500,000) for any related
20 series of violations.

21 E. In determining the amount of the penalty, the
22 [~~commission~~] division shall consider the nature, circumstances
23 and gravity of the violation and, with respect to the person
24 found to have committed the violation, the degree of
25 culpability, any history of prior violations, the effect on

1 ability to continue to do business, any good faith in
2 attempting to achieve compliance, ability to pay the penalty
3 and such other matters as justice may require.

4 F. Judicial review of any provision of this section
5 may be accomplished in the same manner as is found in Section
6 70-3-15 NMSA 1978.

7 G. Any person who willfully and knowingly injures
8 or destroys or attempts to injure or destroy an intrastate
9 pipeline facility shall upon conviction be subject for each
10 offense to a fine not to exceed twenty-five thousand dollars
11 (\$25,000) or imprisonment for a term not to exceed fifteen
12 years, or both.

13 H. Any person who willfully and knowingly damages,
14 removes or destroys any pipeline sign, right-of-way marker
15 required by the Pipeline Safety Act or any regulation or order
16 issued [~~thereunder~~] pursuant to that act shall upon conviction
17 be subject for each offense to a fine of not more than five
18 thousand dollars (\$5,000) or imprisonment for a term not to
19 exceed one year, or both. "

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

22 "70-3-20. PIPELINE SAFETY ENGINEER AND STAFF. -- The
23 [~~commission~~] division shall appoint a professional engineer who
24 shall have at least five years' actual experience in the
25 design, construction, maintenance and operation of oil or gas

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1 pipeline facilities and who shall be designated "pipeline
2 safety engineer". The ~~[commission]~~ division shall retain such
3 other personnel as may be necessary to carry out the provisions
4 of the Pipeline Safety Act, and the ~~[commission]~~ division
5 shall, subject to state laws and regulations covering
6 classification and compensation of state employees, be
7 empowered and authorized to fix the compensation to be paid the
8 pipeline safety engineer ~~[and]~~. The compensation of other
9 personnel employed under the authority of this section shall be
10 subject to the state Personnel Act."

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

13 A. all personnel, including the five full-time-
14 equivalent positions assigned by the public regulation
15 commission to pipeline safety, and all appropriations, money,
16 records, equipment, supplies and other property of the pipeline
17 safety office of the public regulation commission shall be
18 transferred to the oil conservation division of the energy,
19 minerals and natural resources department;

20 B. all contracts of the pipeline safety office of
21 the public regulation commission shall be transferred to the
22 oil conservation division of the energy, minerals and natural
23 resources department; and

24 C. all references in law to the pipeline safety
25 office of the public regulation commission shall be deemed to

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1 be references to the oil conservation division of the energy,
2 minerals and natural resources department.

3 Section 16. APPROPRIATION. --Three hundred twenty-five
4 thousand dollars (\$325,000) is appropriated from the general
5 fund to the oil conservation division of the energy, minerals
6 and natural resources department for expenditure in fiscal year
7 2004 to employ up to twelve full-time-equivalent positions to
8 inspect and enforce provisions of the Pipeline Safety Act with
9 respect to intrastate pipeline facilities and to assume
10 oversight responsibilities from the United States department of
11 transportation with respect to interstate pipeline facilities
12 inspection duties. Any unexpended or unencumbered balance
13 remaining at the end of fiscal year 2004 shall revert to the
14 general fund.

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

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