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HOUSE BILL 967

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

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO NATURAL RESOURCES; PROVIDING FOR A STUDY OF THE
ECONOMIC FEASIBILITY OF ADDITIONAL NATURAL GAS PIPELINE
SYSTEMS.

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

Section 1. FINDINGS AND PURPOSE. --

A. The legislature finds that:

(1) the natural gas industry is an important contributor to the New Mexico economy, as a significant source of both employment and direct state revenues;

(2) New Mexico ranks second among the states in onshore natural gas reserves and will likely continue to be 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

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1 New Mexico natural gas to additional markets was, at that time,
2 not economically feasible; and

3 (4) the study should be updated on a regular
4 basis and the results reported to the legislature.

5 B. The purpose of this act is to provide a
6 mechanism for monitoring the need for an additional natural gas
7 pipeline in New Mexico.

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

10 A. The state highway and transportation department,
11 the energy, minerals and natural resources department and the
12 economic development department shall jointly study the need
13 for additional natural gas pipelines to transport natural gas
14 produced in New Mexico to additional markets. The study shall
15 include:

16 (1) the economic feasibility of the proposed
17 pipeline;

18 (2) the necessity of the proposed pipeline;

19 and

20 (3) alternatives to the proposed pipeline and
21 the environmental or economic benefit of the alternatives.

22 B. If, at any time, the study concludes that an
23 additional natural gas pipeline is necessary, the energy,
24 minerals and natural resources department shall give notice to
25 all persons the department finds, in its sole discretion, to be

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1 interested in or affected by the pipeline. If, after six
2 months from the notice, the department finds that the need
3 still exists and persons capable of meeting the need for the
4 pipeline have not acted or proposed to act in a manner capable
5 of meeting the need, the energy, minerals and natural resources
6 department, the state highway and transportation department and
7 the economic development department shall report to the
8 legislature on the results of the study whether the pipeline
9 should be considered a "transportation system" for the purposes
10 of Sections 67-3-71 through 67-3-77 NMSA 1978.

11 C. If the energy, minerals and natural resources
12 department, the economic development department, the state
13 highway and transportation department and the state
14 transportation commission agree that the pipeline should be a
15 transportation system, the state highway and transportation
16 department may acquire property pursuant to Section 67-3-71
17 NMSA 1978 and the state transportation commission may issue
18 transportation bonds pursuant to Sections 67-3-72 through
19 67-3-76 NMSA 1978. Any property acquired and the proceeds of
20 any transportation bonds sold shall be transferred to the
21 energy, minerals and natural resources department for the
22 purposes of designing, constructing and operating the pipeline;
23 provided that the net income generated by the operation of the
24 pipeline shall be pledged and used only by the state
25 transportation commission to pay the transportation bonds.

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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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