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## FISCAL IMPACT REPORT

SPONSOR Jennings DATE TYPED 03/03/05 HB \_\_\_\_\_

SHORT TITLE Natural Gas Gathering Services Study SB SJM 55

ANALYST Padilla-Jackson

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
NFI	NFI			

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicate to House Joint Memorial 58

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Energy, Minerals, & Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 55 would direct the Revenue Stabilization and Tax Policy Committee to examine the regulation of natural gas gathering in the state of New Mexico and determine whether regulatory authority should be granted to the Oil Conservation Division (OCD) of the Energy, Minerals & Natural Resources Department to investigate complaints from natural gas producers of unfair, inequitable, or discriminatory practices by natural gas gatherers. Additionally, the study would examine whether the OCD should be authorized to require that natural gas gathering services be provided on terms and conditions that are fair, equitable and nondiscriminatory.

#### Significant Issues

EMNRD notes that, at present, the OCD regulates gas gathering systems for the prevention of waste of natural gas and regulates disposition of waste from such facilities, but does not currently regulate rates and terms of service to customers.

**PERFORMANCE IMPLICATIONS**

EMNRD notes that the study would not have performance implications, though if the OCD would be required to regulate natural gas gathering systems it would likely require additional staff and funding.

**FISCAL IMPLICATIONS**

Given that the Revenue Stabilization and Tax Policy Committee has already been appropriated funding for the interim, the provisions of this memorial would unlikely have a fiscal impact. The related presentations over the interim would likely be made by the Oil Conservation Division and outside groups.

**TECHNICAL ISSUES**

The memorial does not address how the findings of such an exercise would be communicated to New Mexico state policy makers.

**OPJ/lg**