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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/01/11  
 SPONSOR HJC LAST UPDATED 03/16/11 HB CS/500/aSJC  
 SHORT TITLE Excavation Notices & Utility Pipelines SB \_\_\_\_\_  
 ANALYST Lucero

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$32.0	\$32.0	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of SJC Amendment

Senate Judiciary Committee amendment to House Judiciary Committee Substitute for House Bill 500 makes a technical correction to the bill to fix a reference that was not updated when the bill was substituted.

#### Synopsis of HJC Substitute

House Judiciary Committee Substitute for House Bill 500 amends Section 62-14-2 NMSA 1978 New Mexico Excavation Law, to add a definition for “master meter system and operators” and to clarify that the definition of “underground utility line” does not include master meter systems and operators. The bill would exempt master meter operators and homeowners that have private underground facilities from having to be a member of a One Call notification system.

The bill also amends various other sections of the law to require that in the event of damage to any underground facility the person responsible for the excavation shall immediately notify the One Call system operating in the area in the form and format as prescribed by PRC.

Finally, the bill amends Section 62-14-8 NMSA 1978 to remove the requirement of proving “damage” to an underground facility as a part of being willfully non-compliant in an administrative penalty.

### **FISCAL IMPLICATIONS**

Removing the requirement to show “damage” as part of an administrative penalty strengthens the ability to enforce the act. A person may be willfully non-compliant; however, no damage may have occurred as result. This may increase the enforcement of the law, and therefore, a slight increase in administrative penalties.

### **SIGNIFICANT ISSUES**

The New Mexico One Call was established in 1990 to provide professional damage prevention resources for excavators and homeowners statewide. When a dig is planned, an excavator calls or faxes the NM One Call to notify of the area where a dig is planned. The One Call computer system alerts members who have underground facilities in the area to be excavated of the planned dig. Members of One Call, who have underground facilities in the area to be excavated have 2 days to mark their underground facilities to alert excavators where the facilities are buried.

However, an operator of a master meter system by federal code is exempted from having to be a member of a One Call system.

The bill defines a “master meter system and operators” is a pipeline system that distributes natural gas or liquid propane gas within a public place, such as a mobile home park, housing project, apartment complex, school, university or hospital where the operator of the master meter system purchases gas from a distributor, through a single large meter and resells the gas through a gas distribution pipeline system. The resale may occur as a payment included in a rental payment or association dues, or a separately metered system.

Title 49 of the Code of Federal Regulation part 192.614, specifies that pipelines operated by persons other than municipalities (including operators of master meters) whose primary activity does not include the transportation of gas need not have a written damage prevention program or participate in a damage prevention program such as a One Call system.

The bill would require the immediate notification to the One Call system of damage to an underground facility. More timely notifications of damage may allow for more prompt investigations by the PRC of incidents and sections to the responsible party.

### **ADMINISTRATIVE IMPLICATIONS**

There are no direct administrative fiscal implications to the PRC. However, the bill may improve enforcement and compliance of the act.

## OTHER SUBSTANTIVE ISSUES

The U.S. government passed the "Pipeline Safety Reauthorization Act of 1988." This law required all states to establish one-call coverage for pipelines, and also required the Department of Transportation and states to establish qualifications and procedures for operating one call centers. According to the New Mexico One Call website:

- 1989-1990 - The largest underground facility owners in New Mexico formed an organizing committee to discuss the need for a statewide one-call system. Five companies signed articles of incorporation in 1989. In April 1990, New Mexico One Call began providing one-call service to Albuquerque. Two months later, the new one-call center expanded its coverage to most of the rest of the state.
- 1991 - New Mexico One Call's membership had increased to 64, and the organization was providing coverage in all 33 counties in New Mexico.
- 1996 - Just six years after it opened, New Mexico One Call experienced the highest growth in its history, increasing its membership by 16%. The organization received a phone call every 1½ minutes while open, sent a ticket approximately every 20 seconds, and took a line locate request every 54 seconds.
- 1997 - New Mexico state legislation setting minimum standards for one-call centers took effect. New Mexico One Call, Inc. met or exceeded all those standards.
- 2001 - As of the end of 2001, its 11th year of operation, New Mexico One Call had grown to include more than 160 members who own and/or operate over 77,000 miles of underground plant. New Mexico One Call continues its commitment to providing efficient, comprehensive damage prevention services throughout the state of New Mexico.

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