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HOUSE BILL 770

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Raymond G. Sanchez

AN ACT

RELATING TO NATURAL RESOURCES; PROVIDING FOR A STUDY OF THE ECONOMIC FEASIBILITY OF ADDITIONAL NATURAL GAS PIPELINE SYSTEMS; AUTHORIZING THE ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT TO BUILD AND OPERATE A PIPELINE SYSTEM FUNDED BY TRANSPORTATION BONDS ISSUED BY THE STATE HIGHWAY AND TRANSPORTATION DEPARTMENT.

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

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1 a major producer of natural gas for the foreseeable future;

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

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

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

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

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

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1 include:

2 (1) the economic feasibility of the proposed
3 pipeline;

4 (2) the necessity of the proposed pipeline;
5 and

6 (3) alternatives to the proposed pipeline and
7 the environmental or economic benefit of the alternatives.

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

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

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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
3 state highway commission may issue transportation bonds
4 pursuant to Sections 67-3-72 through 67-3-76 NMSA 1978. Any
5 property acquired and the proceeds of any transportation bonds
6 sold shall be transferred to the energy, minerals and natural
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.

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

1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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5
6 February 22, 1999

7
8 Mr. Speaker:

9
10 Your ENERGY AND NATURAL AND RESOURCES
11 COMMITTEE, to whom has been referred

12
13 HOUSE BILL 770

14
15 has had it under consideration and reports same with
16 recommendation that it DO PASS, and thence referred to the
17 TAXATION AND REVENUE COMMITTEE.

18 Respectfully submitted,

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22 _____
23 James Roger Madalena, Chair man
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25

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

Page 6

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Pi craux

Absent: None

J: \99BillSWP\H0770

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

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4 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

11 HOUSE BILL 770

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS.

15
16 Respectfully submitted,

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20 _____
21 Jerry W. Sandel, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

3 HTRC/HB 770

Page 10

4 Adopted _____ Not Adopted _____

6 (Chief Clerk)

(Chief Clerk)

8 Date _____

10 The roll call vote was 9 For 3 Against

11 Yes: 9

12 No: Burpo, Crook, Gubbels

13 Excused: Hawkins, Lujan, Russell

14 Absent: None

16 J:\99BillsWP\H0770

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

March 5, 1999

HOUSE FLOOR AMENDMENT number _____ to HOUSE BILL 770

Amendment sponsored by Representative Jerry W. Sandel

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.

2. On page 2, line 9, after the comma strike the remainder of the line and strike all of lines 10 through 12 and insert in lieu thereof "the legislature should take such actions as necessary.".

3. On page 2, line 14, strike "the continuous monitoring of" and insert in lieu thereof "monitoring".

4. On page 2, line 15, after "Mexico" strike the remainder of the line and strike all of lines 16 and 17 and insert in lieu thereof a period.

FORTY- FOURTH LEGISLATURE
FIRST SESSION

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5. On page 2, line 23, after "jointly" strike the remainder of the line and strike line 24 through "pipeline" and insert in lieu thereof "study the need for additional natural gas pipelines".

6. On page 3, line 17, after "department" strike the remainder of the line, strike all of line 18 and strike line 19 through "concerning" and insert in lieu thereof ", the state highway and transportation department and the economic development department shall report to the legislature on the results of the study required by Subsection A of this section, including any activities conducted pursuant to this subsection. The report shall address".

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

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Page 13

7. On page 3, lines 22 through 25 and on page 4, lines 1 through 17, strike Subsections C and D.

Jerry W. Sandel

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

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FORTY-FOURTH LEGISLATURE
FIRST SESSION

HF1/SB 770

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 11, 1999

Mr. President:

Your CONSERVATION COMMITTEE, to whom has been referred

HOUSE BILL 770, as amended

has had it under consideration and reports same with recommendation
that it DO PASS.

Respectfully submitted,

Fernando R. Macias, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

1 HF1/SB 770

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Date _____

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6 The roll call vote was 6 For 0 Against

7 Yes: 6

8 No: None

9 Excused: Eisenstadt, Griego, Lyons, Sanchez

10 Absent: None

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