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To: IPANM membership
From: Karin Foster
Re: WEEK ONE UPDATE – NM Legislative Session
Date: January 18, 2013

The first week at the New Mexico Legislature this time around was filled with new faces. There were thirty-five new legislators, along with their families and retinues that come along with being a new politician. They have migrated to Santa Fe all bright eyed and bushy tailed and ready to work while the old guard sits back and watches. It is going to be a very interesting Session.

In the Senate, the powers that be made a compromise behind closed doors that resulted in the unanimous election of Senator Mary Kay Papen, of Las Cruces to the President Pro Tempore's seat. This vote is just one example of the extreme professionalism in the Senate that has to be respected. In the House, a 38 to 32 party line vote resulted in Ken Martinez of Grants as the new Speaker.

There were bill introductions this week including a Hydraulic Fluids Disclosure bill introduced by House Energy Committee Chairman Brian Egolf. You will recall that last year, Chairman Egolf had a full hearing on this issue and vowed to bring the issue back this year. He did not disappoint. The full list of bills IPANM is tracking is below. Each entry includes a hyperlink to the most recent version of the bill; the official name of the legislation; the committee assignments and the sponsor. Once the bill crosses over to the second chamber, the new committee assignments and sponsor will be added. Every week I will update the information on the bill if there have been any amendments or substitutions to the bill. If the bill is tabled in committee, I will mark it in the Committee Assignments column. Note, however, that a bill may be revived any number of procedural motions by committee members.

Please put February 15th on your calendars as a reason to come to the Roundhouse. IPANM will be hosting our third Oil and Gas Day at the Capitol. The event, which will include displays, kids, color guards, speeches by politicians and Young Ambassadors alike, is set to be one of our best! IPANM has received several great submissions from our Young Ambassador candidates and I am looking forward to working with the students on legislative issues and during their visit to Santa Fe! Your companies should have received a request for sponsorship of Oil and Gas Day,

please consider it as this event is the only one by industry, for industry, legislators and the public that highlights the great things our industry does for New Mexico.

As always, please call me with any questions, comments or concerns.

Karin

House Bills as of January 17, 2013

Bill Numbers		Bill Names	Committee Assignments	Sponsors
House	Senate			
HB 5		Dept. of Game & Fish Appropriation Act	HHGIC/HAFC	Stewart
Provides additional funding to the NMGFD to assist stakeholders in technical guidances in conservation efforts for indiginous species, including the Sand Dune Lizard and the Lesser Prairie Chicken				
HB 19		Status of Water Rights under Lease	HAGC/HJC	Gonzales
This bill may impact leasing of water for hydraulic fracturing and stimulation projects.				
HB 108		Rules Development Requirements	HHGAC/HJC	Gentry
A regulatory reform effort; this is a good bill that will require state agency to have more public participation in drafting of regulations; hearings and will extend the public comment period to a set 30 days after initial publication of the rule; this last provision is in support of the Governor's efforts for industry in the GHG cases were in the NM Supreme Court held that there is no final public comment provision allowed after the rule is delivered to the State records center.				
HB 124		Modify Vehicle Gross Weight Limits	HTPWC/HJC	White
This is a bill that may impact vehicle transport of oil field waste				
HB 136		Disclosure of Fracturing Fluid Composition	HENRC/HAGC/HJC	Egolf
Adds a new section to the Oil and Gas Act to require that operators disclose the composition of HF fluids to the IOGCC or GWPC of each ingredient used regardless if required on an MSDS sheet; require service companies to provide operator with the information; allows for land owner and adjacent landowners, any agency of the state or the federal government to overcome a trade secrets exemption				

SENATE Bills

Bill Numbers		Bill Names	Committee Assignments	Sponsors
House	Senate			
		Tax Expenditure & Revenue Budget & Reporting		Varela
	SB 7		SPAC/SFC	Keller
<p>The tax expenditures budget is one that will be fraught with mistakes since the TRD staff does not understand the nature of the Exemptions, Credits and Deductions the Oil and Gas industry receives. Two years ago, the TRD prepared a report claiming that if all 'loopholes' were closed against industry, the State would have hundreds of millions in additional yearly revenue. These falsehoods are the basis for this bill, however, the concept is supported by LFC leadership. The bill has previously been vetoed by both Richardson and Martinez.</p>				
		Corporate Rates and Combined Reporting		
	SB 13		SCORC/SFC	Wirth
<p>A repeat from the last session; including elimination of discretionary opt out with approval from TRD; the bill last year passed the Senate (28-13) and the House (36-33) but was vetoed; This bill amends corporate income tax rates down and requires unitary corporations to file a combined return with their other unitary corporations as though the entire net income were that of one corporation in NM and then pays based on an apportionment formula; effective date 1/14; similar to SB 59</p>				
		Corp. Tax, Reporting, Single Sales & Repeals		
	SB 59		SCORC/SFC	Cisneros
<p>This bill is identical to Wirth's SB 13 except that it adds provisions changing the formula for apportionment of business income from manufacturing; processing natural resources including hydrocarbons is specifically exempt from the manufacturing definition; repeals several tax credits including the rural jobs tax credit and the high wage jobs tax credit.</p>				