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To: IPANM members  
 From: Karin V. Foster  
 Re: NM Legislative update - Week 2  
 Date: February 1, 2015

Dear IPANM members –

Due to snow storms, the members of the legislature did not work on Friday or over the weekend. During the week, the pace of bill introduction was measured so I expect this coming week to be rather busy. This week, Representative Bandy introduced legislation that will limit counties but not municipalities from passing ordinances that may impact oil and gas operations. This bill is different than the bill IPANM intends to introduce which clarifies the legislature has given express authority to the NMOCD to be the sole entity allowed to grant permits to site and drill a well, and to regulate the extraction, production, transport and processing of oil and gas resources in New Mexico.

Please note that I have further refined our table to bills with direct impact, transmission bills, financial bills, water & agriculture bills and general business bills.

Please contact me if you have any questions.

Thank you.

Karin

<b>Energy Bills</b>			
Bill Number	Direct impact to IPANM members Bill Name	Sponsor	Committee status
HB 114	No False Statements to Environment Dept	Egolf	<b>HEENC/HRPAC</b>
	Prohibits false statements to NMED for liquid waste permits; penalty of \$10,000 per violation; This bill was introduced by this sponsor previously with penalties for any reporting error or false statement to NMED.		
HB 154	Local Govnt. review of business leases	Steinborn	HBEC/HGEIC
	allows local municipality or county to review and approve business leases executed by the SLO		
HB 199	Oil & Gas Operation Jurisdiction	Bandy	HRPAC/HJC
	Prohibits counties from having jurisdiction, authority or control over oil and gas operations; allows municipalities and those provided pursuant to law.		

HB 210	Pollution control equipment gross receipts	James	HGEIC/HWMC
	Grants an exemption from NMGR for the purchase of pollution-control equipment required by the EPA or NMED or local entity that is to prevent, monitor, control or reduce air, water or land pollution.		
HM 1	EMNRD Website Oil & Gas Info	Caballero	House table
	Requires NMOCD to post all info from 2008 to 2014 on number of stripper and inactive wells; number of inspectors; violations of OG Act; response of NMOCD to each violation that threatened or contaminated ground water; must report to three interim committees and governors recommendations that address public concern about impact of drilling on groundwater		
HM 16	Veto certain capital outlay & use for roads	Gallegos	House Table
	Requests the Governor to veto all capital appropriations for counties that have banned or severely restricted oil and gas exploration and prioritize the funds for highway improvements statewide.		
SB 335	Oil & Gas as Official state resource	Sharer	SRC/SPAC
	Adds to state symbol list oil and gas as the official resource of New Mexico		
SB 374	Uniform Environmental Covenants Act	Ivey-Soto	SCONC/SJC
	Establishes the parameters for an environmental covenant; to be an agreement between the holder of land with remediation issue; if obtain agency support for covenant, the holder of title is subject to terms of covenant; will be used to remediate brownfields		
SB 389	Oil & Gas Rule appeal requirements	Leavell	SCONC/SJC
	Adds new section to OG Act to require hearing for new rules; publication of rules in accordance with State Rules Act; any person affected by rule adopted under OG Act may appeal within 30 days to Court of Appeals; COA may set aside only if ruling arbitrary, capricious or abuse of discretion; not supported by evidence in record; rule defined to include an amendment or repeal of a rule		
Bill Number	Transmission issues - Bill Name	Sponsor	Committee status
HB 33	Pipeline Safety Act Civil Penalties	McCamley	HSCAC/HEENC
	Increases penalties from \$25,000 per violation to match federal penalties which are \$100,000 to \$1,000,000 per violation under the Federal Pipeline Safety Act. According to the sponsor this bill is at the request of PRC staff. It appears that pipeline companies will not oppose this bill		
HB 109	Transmission Line Corridors	McCamley	<b>withdrawn by sponsor</b>
	Prohibits PRC from approving proposed transmission lines outside pre-designated corridors based on planning, environmental and land use conflict studies. Strong opposition from transmission, PRC and RETA, withdrawn by sponsor		
HB 116	Regional Utility Construction of Transmission	Brown	HEENC/HBEC
	This bill was drafted to assist Excel against independent transmission developers and to overcome a recent FERC decision taking away the right of first refusal on development projects.		
SB 247	Utility transmission first right to construct	Ingle	SCONC/SJC
	Excel Bill		
Bill Number	\$\$ issues impacting IPANM Bill Name	Sponsor	Committee status
SB 114	Local govnt special fuels taxes	Griggs	SCORC/ SFC

	Takes natural gas out of the special fuels act; authorizes a municipality or any county to tax special fuels classified here mostly as biofuels.		
SB 347	Natural Gas Motor Vehicle Tax credits	Moore	SCORC/SFC
	Gives private owner of a natural gas vehicle a tax deduction and credit and if purchased in NM or registered within 30 days of purchase an excise tax exemption		
<b>Water and Ag Bills</b>			
Bill Number	Name	Sponsor	Committee status
HB 38	Forest & Watershed Restoration Act	Bandy/Wirth	HAWC/HEENC/HAFC
	Creates a new Board within EMNRD to 'increase the adaptability and resilience to recurring drought and extreme weather events of the state's forests' (interpret as thinning); uses \$1.2M per month (\$15 million per year) from Insurance Suspense Fund		
HB 87	WQCC meeting locations	Ezell	HAWC/HRPAC
	WQCC to set time and place for hearing; delete provision that hearings with statewide applications must be held in SF while others may be held in area substantially affected by the regulation or standard.		
HB 157	Water project fund money for conservation	McCamley	HAWC/HWMC
	Requires that 20% of loans and grants from water project fund be used to fund water conservation projects		
SB 73	Landowner taking or killing animals on land	Soules	SCONC/SJC
	Limits ability of land owner or lessee to take or kill animals causing damage to crops or pastures by grazing; requires notification to Game and Fish		
SB 156	NMSU Water Resource Research Institute	Papen	SCONC/SFC
HB 234		McMillan	HAWC/HAFC
	Appropriates \$2M to NMSU for water policy analysis and resarch on brackish, produced and reusable water sources.		
SB 276	State Engineer hearing locations	Pirtle	SCOND/SJC
	Requires state engineer to have hearings in county in which the water right at issue is located		
SB 277	Local government comprehensive plans	Stewart	SPAC/SJC
	Unclear what this bill does other than clarify that both municipalities and counties may do comprehensive land use plans and appoints boards to review and adopt these plans.		
SM 6	Federal Land Management & Revenue impacts	Woods	SRC/SCONC
	Requests DFA to convene a stakeholder meeting to make recs on federal land ownership; conduct an inventory of fed land ownership; evaluate state and county dependence on federal revenue streams.		
SM 29	Study natural gas flaring & venting	Shendo	SRC/SCONC
	Requests study from EMNRD, NMED, DIA, DFA to look at economic and environmental impact of the increase in natural gas flaring and venting.		

<b>General Business Bills</b>			
<b>Bill Number</b>	<b>Name</b>	<b>Sponsor</b>	<b>Committee status</b>
HB 16	Surtax on Certain Corporations	McCamley	<b>Tabled</b>
	Requires corporations to place an additional 1% tax on the corporate income if the salaries of CEO is more than 100 times greater than the least paid employee		
HB 75	Employee Preference Act	Roch	<b>HBEC/HJC</b>
	Right to work bill - passed HBEC 1/29		
HB 92	Severance Bonds for Transportation Projects	Larranaga	HTPWC/HWMC
	Allows bonding for projects within a statewide transportation improvement plan that are critical to local economic development or the development of mineral resources.		
SB 57	Unitary Corporation Combined Tax reporting	Wirth	<b>SCORC/ SFC</b>
	Requires companies who operate in multiple jurisdictions to pay taxes to the state greater than if state allowed use of weighted formula; those companies would also have to pay foreign dividends.		
SB 84	Local Government Ordinance Appeals	Candelaria	<b>SPAC/SJC</b>
	A municipality may appeal from any District Court decision regarding an ordinance to Court of appeals instead of the Supreme Court		
SB 92	Employee preference Act	Rue	<b>SPAC/ SJC</b>
	Right to work		
SB 113	Tax bonds for state Dept. of Transportation projects	Griggs	SCORC/ SFC
	Establishes priorities for State Dept. of transportation to build projects based on fatalities in each commission district.		
SB 194	Requirements for proposing and changing rules	Ivey-Soto	SRC/SJC
	Outlines requirements for adoptions of rules; establishes validity of rule upon publications in NM register (as opposed to upon filing with records center); requires adoption within 2 years of proposal; enacts new sections to the State Rules Act to establish rule drafting committees; notice of rulemaking; public participation, comments and rule hearing processes and recording of rulemaking proceedings;		
SB 356	Tax administrative hearings office Act	Candelaria	SPAC/SJC
	creates independent hearing officers separate from tax & rev.		