

LFC Requester:	Jonas Armstrong
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**AGENCY BILL ANALYSIS
2015 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date February 20, 2015
Bill No: HB 549

Sponsor: Rep. Mathew McQueen **Agency Code:** Attorney General's Office - 305
Short Limit Eminent Domain **Person Writing** Tannis L. Fox, AAG
Title: Pipelines **Phone:** 827-6695 **Email** tfox@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

BILL SUMMARY

Synopsis:

HB 549 amends Section 70-3-5, which allows any “person, firm, association or corporation” to exercise the right of eminent domain for rights of way for the construction, maintenance and operation of pipelines to convey petroleum, natural gas and carbon dioxide gas, and products derived therefrom, to allow the exercise of that authority so long as 75% of the volume of such petroleum, natural gas and carbon dioxide gas originates in, is processed in or is used in New Mexico.

FISCAL IMPLICATIONS N/A

SIGNIFICANT ISSUES

1. There is no mechanism for reporting the volumes of petroleum, natural gas or carbon dioxide gas, and therefore it is not clear how HB 549 would be enforced.
2. HB 549 does not set forth the period (months, year, etc.) over which the volume of petroleum, natural gas and carbon dioxide gas would be measured, and therefore it would be difficult if not impossible to interpret and enforce.
3. HB 549 does not set forth how these gases’ volumes are to be measured, and therefore it could be difficult to enforce.
4. HB 549 does not set forth how an entity could project the percent volumes to be used in New Mexico prior to the exercise of eminent domain and, therefore, it would be difficult to enforce.

5. HB 549 does not set forth the consequences or sanctions if an entity's volumes exceed the 75% threshold, e.g., a fine or penalty, a cease and desist order, an injunction, taking away of the right of way.

PERFORMANCE IMPLICATIONS N/A

ADMINISTRATIVE IMPLICATIONS N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP Related to HB 549.

TECHNICAL ISSUES None identified.

OTHER SUBSTANTIVE ISSUES

The term "is used in New Mexico" is not defined, and is subject to differing interpretations.

ALTERNATIVES N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo is maintained.

AMENDMENTS *See* Significant Issues above.