

SENATE BILL 143

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLIC UTILITIES; CREATING THE UTILITY OVERSIGHT
FUND; INCREASING CERTAIN FEES AND CHANGING DISTRIBUTION OF
COLLECTED FEES AND PENALTIES; PROVIDING FOR THE ENFORCEMENT OF
FEES BY THE PUBLIC REGULATION COMMISSION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Public Utility Act is
enacted to read:

.229196.4SAAIC February 15, 2025 (12:11pm)

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"[NEW MATERIAL] UTILITY OVERSIGHT FUND.--

A. The "utility oversight fund" is created in the state treasury. The fund consists of STBTC→fees collected pursuant to Sections 62-8-8, 62-8-9 and 63-7-20 NMSA 1978, as well as←STBTC appropriations, gifts, grants and donations and earnings on investment of the fund. Balances in the fund shall not revert to the general fund or any other fund at the end of a fiscal year.

B. The utility oversight fund shall be administered by the commission. Money in the fund is subject to appropriation by the legislature to the commission to carry out its duties pursuant to the Public Utility Act.

C. Disbursements from the utility oversight fund shall be made by warrant of the secretary of finance and administration pursuant to vouchers issued and signed by the director of the administrative services division of the commission or the director's authorized representative."

SECTION 2. Section 62-8-8 NMSA 1978 (being Laws 1967, Chapter 96, Section 6, as amended) is amended to read:

"62-8-8. INSPECTION AND SUPERVISION FEE.--

A. Each utility doing business in this state and subject to the control and jurisdiction of the commission with respect to its rates or service regulations shall pay annually to the state a fee for the inspection and supervision of such business in an amount equal to five hundred [~~six~~] ninety

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thousandths percent of its gross receipts from business transacted in New Mexico for the preceding calendar year. That sum shall be payable on or before the [~~first~~] last day of April in each year. An inspection and supervision fee shall be paid by utilities in addition to all property, franchise, license, intangible and other taxes, fees and charges provided by law. No similar inspection and supervision fee shall be measured by the amount of the gross receipts of such utility for the calendar year next preceding the date fixed in this section for the payment of the fee. In the case of utilities engaged in interstate business, the inspection and supervision fee shall be measured by the gross receipts of those utilities from intrastate business only for that preceding calendar year and not in any respect upon receipts derived wholly or in part from interstate business. No inspection and supervision fee shall be charged on the gross receipts from the sale of gas, water or electricity to a utility regulated by the commission for resale to the public.

B. Prior to July 1, 2031, the fees established pursuant to this section may be adjusted annually by the commission; provided that any increase shall not be greater than the prior year's increase in the employment cost index for state and local government as published by the federal bureau of labor statistics."

SECTION 3. Section 62-8-9 NMSA 1978 (being Laws 1957,

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Chapter 25, Section 1, as amended) is amended to read:

"62-8-9. DISPOSITION OF FUNDS--INTEREST AND PENALTY ON LATE PAYMENTS.--

A. All fees and money collected under the provisions of the Public Utility Act, including fees provided for in Section 62-13-2 NMSA 1978 and including fees and charges for inspection and supervision, for stenographic services and for transcripts of evidence, shall be remitted by the commission to the state treasurer ~~STBTC~~→~~and credited to the utility oversight fund~~←~~STBTC~~ not later than the day following receipt. Payments provided for in the Public Utility Act shall be obligatory upon all utilities subject to the Public Utility Act.

B. When a fee is not paid on the date it is due, interest shall be paid to the state on the amount due. The interest on the amount due shall start to accrue on the day following the due date and will continue to accrue until the total amount due is paid. The rate of interest on a late fee payment shall be fifteen percent per year, computed at the rate of one and one-fourth percent per month.

C. In addition to any interest due on a late fee payment, a penalty shall be paid to the state for failure to pay the fee when it was due. The penalty imposed shall be two percent of the amount of the fee due.

D. The ~~[attorney general, in the name of the state]~~

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commission shall bring suit to collect fees, interest and penalties that remain unpaid."

SECTION 4. Section 62-13-2 NMSA 1978 (being Laws 1957, Chapter 25, Section 2, as amended) is amended to read:

"62-13-2. FEES.--The commission shall collect fees for the following [~~fees~~], which shall be remitted to the state treasurer not later than the day following receipt; provided that the commission may increase by administrative rule the fees set forth in this section in amounts that do not exceed the cost of administrative proceedings before the commission:

- A. for filing any rate schedule, service rule or regulation or sample form, or amendment thereto, one dollar (\$1.00);
- B. for filing each application, petition or complaint, twenty-five dollars (\$25.00);
- C. for copies of papers, testimony and records, the reasonable cost of such copies as the commission may provide from time to time by rule; and
- D. for certifying any copy of any paper, testimony or record, two dollars (\$2.00)."

SECTION 5. Section 62-14-8 NMSA 1978 (being Laws 1973, Chapter 252, Section 8, as amended) is amended to read:

"62-14-8. PENALTIES.--In addition to any other liability imposed by law, an excavator, after a formal hearing and upon a finding, who has failed to comply with Subsection C of Section

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62-14-3 NMSA 1978 is subject to an administrative penalty of up to five thousand dollars (\$5,000) for a first offense as assessed by the commission. Thereafter, the commission may assess an administrative penalty of up to a maximum of twenty-five thousand dollars (\$25,000) for subsequent violations of Subsection C of Section 62-14-3 NMSA 1978. In addition to any other penalty imposed by law, an operator of underground pipeline facilities or underground utilities, excavator or operator of a one-call notification system, after formal hearing and upon a finding, who has willfully failed to comply with Chapter 62, Article 14 NMSA 1978 shall be subject to an administrative penalty of up to five thousand dollars (\$5,000) for a first offense as assessed by the commission. Thereafter, upon finding that a violation of Chapter 62, Article 14 NMSA 1978 has occurred, the commission may, upon consideration of the nature, circumstances, gravity of the violation, history of prior violations, effect on public health, safety or welfare and good faith on the part of the person in attempting to remedy the cause of the violation, assess an administrative penalty up to a maximum of twenty-five thousand dollars (\$25,000) per violation consistent with federal law. No offense occurring more than five years prior to the current offense charged shall be considered for any purpose. All actions to recover the penalties provided for in this section shall be brought by the commission. All penalties recovered in

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any such action shall be [~~paid into the state general~~]
deposited in the current school fund."

SECTION 6. Section 63-7-20 NMSA 1978 (being Laws 1951,
Chapter 194, Section 1, as amended) is amended to read:

"63-7-20. UTILITY INSPECTION--FEE.--

A. Each utility doing business in this state that
is subject to the control and jurisdiction of the commission by
virtue of the provisions of Article 11 of the constitution of
New Mexico with respect to its rates and service shall pay
annually to the commission a fee in performance of its duties
as now provided by law. The fee for utilities shall not exceed
five hundred [~~eleven~~] ninety thousandths percent of its gross
receipts from business transacted in New Mexico for the
preceding calendar year. This sum shall be payable annually on
or before April [~~+~~] 30 in each year. No similar fee shall be
imposed upon the utility. In the case of utilities engaged in
interstate business, the fees shall be measured by the gross
receipts of the utilities from intrastate business only for the
preceding calendar year and not in any respect upon receipts
derived wholly or in part from interstate business. Prior to
July 1, 2031, the fees established pursuant to this section may
be adjusted annually by the commission; provided that any
increase shall not be greater than the prior year's increase in
the employment cost index for state and local government, as
published by the federal bureau of labor statistics. As used

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in this section, "utility" includes telephone companies and transmission companies but does not include public utilities subject to the Public Utility Act.

B. When a fee is not paid on the date it is due, interest shall be paid to the state on the amount due. The interest on the amount due shall start to accrue on the day following the due date and shall continue to accrue until the total amount due is paid. The rate of interest on a late fee payment shall be fifteen percent per year, computed at the rate of one and one-fourth percent per month.

C. In addition to any interest due on a late fee payment, a penalty shall be paid to the state for failure to pay the fee when it is due. The penalty imposed shall be two percent of the amount of the fee due.

D. The [~~attorney general, in the name of the state~~] commission shall bring suit to collect fees, interest and penalties that remain unpaid."

STBTC→~~SECTION 7. Section 63-7-21 NMSA 1978 (being Laws 1951, Chapter 194, Section 2, as amended) is amended to read:~~
~~"63-7-21. DISPOSITION OF FEES.--All [moneys] money collected under the provisions of [Chapter 194, Laws of 1951] Section 63-7-20 NMSA 1978 shall be deposited with the state treasurer [and by him credited] and shall be credited to the [general] utility oversight fund."~~←STBTC

SECTION STBTC→8.←STBTC STBTC→7.←STBTC Section 70-3-2

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NMSA 1978 (being Laws 1953, Chapter 42, Section 3, as amended) is amended to read:

"70-3-2. LICENSE--FEES--DISPOSITION.--[Each] An operator of a pipeline [~~or pipelines~~] operated in the state [~~of New Mexico~~] for the transportation of crude oil, natural gas or the products derived [~~therefrom~~] from either shall, during the month of July, obtain a license for the operation of [~~such~~] the pipeline. Application for [~~such~~] a license shall be made upon a form to be provided by the [~~corporation~~] public regulation commission and shall be accompanied by the license fee determined as [~~hereinafter~~] provided in this section. On receipt of [~~such~~] the application and license fee, the [~~corporation~~] public regulation commission shall issue a license to the applicant for the current fiscal year. All license fees [~~so~~] collected shall be paid to the state treasurer and [~~by him~~] credited to the STBTC→~~[general] utility~~ oversight←STBTC STBTC→general←STBTC fund.

SCHEDULE OF ANNUAL LICENSE FEES

A. [~~Each~~] A person, firm, association or corporation transporting natural gas or [~~the~~] natural gas products [~~derived therefrom~~] by pipeline [~~or pipelines~~] in New Mexico and operating a pipeline [~~or pipelines~~] and appurtenant facilities within New Mexico shall pay an annual license fee of five hundred dollars (\$500) at the time of making the application required by this section. An additional fee shall

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be paid, measured by the aggregate installed rated horsepower of compression facilities located within New Mexico and operated by the licensee, in accordance with the following schedule:

- (1) not exceeding [~~10,000~~] ten thousand horsepower, the minimum fee with no additional fee;
- (2) more than [~~10,000~~] ten thousand horsepower and not more than [~~30,000~~] thirty thousand horsepower, the minimum fee plus [~~\$2,275.00~~] two thousand two hundred seventy-five dollars (\$2,275);
- (3) more than [~~30,000~~] thirty thousand horsepower and not more than [~~50,000~~] fifty thousand horsepower, the minimum fee plus [~~\$4,000.00~~] four thousand dollars (\$4,000);
- (4) more than [~~50,000~~] fifty thousand horsepower and not more than [~~75,000~~] seventy-five thousand horsepower, the minimum fee plus [~~\$5,000.00~~] five thousand dollars (\$5,000);
- (5) more than [~~75,000~~] seventy-five thousand horsepower and not more than [~~100,000~~] one hundred thousand horsepower, the minimum fee plus [~~\$5,500.00~~] five thousand five hundred dollars (\$5,500); and
- (6) more than [~~100,000~~] one hundred thousand horsepower, the minimum fee plus [~~\$5,925.00~~] five thousand nine hundred twenty-five dollars (\$5,925) and plus [~~\$75.00~~] seventy-

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five dollars (\$75.00) additional for each [~~10,000~~] ten thousand horsepower or fraction thereof in excess of [~~100,000~~] one hundred thousand horsepower.

B. [~~Each~~] An operator of a pipeline [~~or pipelines~~] for the transportation of oil or [~~the~~] oil products [~~derived therefrom~~] shall pay [~~the following fees, based on the number of miles of such line operated in New Mexico~~] a basic fee of five hundred dollars (\$500) [~~and in addition~~] plus fees based on the number of miles of pipeline operated in New Mexico, computed in accordance with the following schedule:

(1) for all lines up to and including eight inches in diameter:

~~[\$13.00]~~ (a) thirteen dollars (\$13.00) per mile for the first [~~50~~] fifty miles;

~~[\$ 7.00]~~ (b) seven dollars (\$7.00) per mile for the next [~~25~~] twenty-five miles;

~~[\$ 4.00]~~ (c) four dollars (\$4.00) per mile for the next [~~25~~] twenty-five miles; and

~~[\$ 1.00]~~ (d) one dollar (\$1.00) per mile for each mile in excess of [~~100~~] one hundred miles; and

(2) for all lines more than eight inches in diameter:

~~[\$18.00]~~ (a) eighteen dollars (\$18.00) per mile for the first [~~25~~] twenty-five miles;

~~[\$13.00]~~ (b) thirteen dollars (\$13.00)

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per mile for the next [25] twenty-five miles;

[~~\$ 9.00~~] (c) nine dollars (\$9.00) per mile for the next [25] twenty-five miles;

[~~\$ 6.00~~] (d) six dollars (\$6.00) per mile for the next [25] twenty-five miles; and

[~~\$ 2.00~~] (e) two dollars (\$2.00) per mile for each mile in excess of [~~100~~] one hundred miles.

C. For the purposes of determining the license fees payable under the provisions of [~~this~~] Subsection B of this section, any pipeline owned by two or more persons, firms or corporations shall be considered to be a separate pipeline operation to be licensed as such in the name of the operator or owners thereof. The basic fee to be paid in the licensing of such lines under the [~~foregoing~~] fee schedule provided in Subsection B of this section shall be:

(1) five hundred dollars (\$500) on lines less than twenty inches in diameter; and

(2) eight hundred fifty dollars (\$850) on lines twenty inches or more in diameter."