AN ACT

RELATING TO NATURAL RESOURCES; PROVIDING FOR A LEGISLATIVE STUDY OF THE ECONOMIC FEASIBILITY OF ADDITIONAL NATURAL GAS PIPELINE SYSTEMS; MAKING AN APPROPRIATION.

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

Section 1. FINDINGS--LEGISLATIVE STUDY--APPROPRIATION.--

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 a major producer of natural gas for the foreseeable future;

(3) a study funded by Laws 1996, Chapter 7 concluded that an additional pipeline capable of transporting

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1   New Mexico natural gas to additional markets was, at that

2   time, not economically feasible; and

3   (4)   the study should be updated to see if

4   such a natural gas pipeline is economically feasible and

5   otherwise in the best interests of the state at this time.

6   B.   The New Mexico legislative council shall assign

7   the appropriate interim committee to conduct the natural gas

8   pipeline feasibility study.   Upon approval of the work plan

9   and budget by the legislative council, the committee shall:

10   (1)   pursuant to the Procurement Code, select

11   a person to study the economic feasibility and the costs and

12   benefits of financing, constructing and operating a natural

13   gas pipeline to transport New Mexico natural gas to additional

14   markets.   The study shall include:

15   (a)   projections for the production

16   volumes and price of New Mexico natural gas;

17   (b)   projections for the future demand

18   for New Mexico natural gas in California and the rest of the

19   western United States;

20   (c)   an analysis of the ability of

21   existing natural gas pipelines to meet the future

22   transportation needs;

23   (d)   the likelihood that a new natural

24   gas pipeline would be built without state economic incentives;

25   (e)   alternatives for the state to

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1   provide incentives and otherwise to assist with the funding

2   and building of the pipeline;

3   (f)   any potential environmental and

4   social costs of the pipeline; and

5   (g)   any other issues identified by the

6   committee;

7   (2)   receive periodic progress reports from

8   the person performing the study and take the responsibility

9   for the overall direction of the study; and

10   (3)   forward the results of the study with the

11   recommendations and comments of the committee to the governor

12   and the legislature by December 15, 2002 for consideration by

13   the first session of the forty-sixth legislature.

14   C.   The public regulation commission, the

15   commissioner of public lands, the energy, minerals and natural

16   resources department, the economic development department and

17   every other state agency and political subdivision of the

18   state shall, upon request, furnish and make available to the

19   committee documents, material or information requested by the

20   members of the committee or its staff.

21   D.   Seventy-five thousand dollars ($75,000) is

22   appropriated from the general fund to the legislative council

23   service for expenditure in fiscal years 2002 and 2003 for the

24   purpose of carrying out the provisions of this act.   Any

25   unexpended or unencumbered balance remaining at the end of

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1   fiscal year 2003 shall revert to the general fund.

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