

1 HOUSE BILL 200

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

3 INTRODUCED BY

4 James G. Townsend and Larry R. Scott and Rod Montoya

5
6
7
8
9
10 AN ACT

11 RELATING TO RULES; REQUIRING CERTAIN STATE AGENCIES TO CONDUCT
12 A COST ASSESSMENT FOR RULES THAT IMPOSE NEW MANDATES ON THE OIL
13 AND GAS INDUSTRY; REQUIRING THE DEVELOPMENT OF RECOMMENDATIONS
14 TO REDUCE COSTS TO INDUSTRY AND A STUDY OF THE IMPACTS TO
15 CONSUMERS; REQUIRING REPORTING.

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. [NEW MATERIAL] RULEMAKING--NEW MANDATES ON THE
19 OIL AND GAS INDUSTRY--COST ASSESSMENT--CONSUMER IMPACT STUDY--
20 REPORT TO LEGISLATURE REQUIRED.--

21 A. For any rule adopted by the oil conservation
22 commission, the environmental improvement board, the energy,
23 minerals and natural resources department or the department of
24 environment that imposes a new mandate on the oil and gas
25 industry, the respective commission, board or department shall,

.221871.2

underscored material = new
[bracketed material] = delete

underscored material = new
~~[bracketed material] = delete~~

1 in consultation with representatives of the oil and gas
2 industry:

3 (1) conduct a cost assessment of the private
4 sector cost of compliance with the final rule. The cost
5 assessment shall estimate the cost of compliance for the oil
6 and gas industry as a whole on an annual basis for the first
7 five years of compliance;

8 (2) develop recommendations for legislation to
9 reduce the cost of compliance to the oil and gas industry,
10 which may include a tax credit, a reimbursement grant or a
11 combination of one or more cost reduction mechanisms; and

12 (3) conduct a consumer impact study to assess
13 the impact that the additional costs incurred by the oil and
14 gas industry from compliance with the final rule will have on
15 New Mexico consumers in terms of higher energy prices, more
16 expensive petroleum-based consumer goods, reduced energy supply
17 and diminished reliability of service.

18 B. No later than ninety days after a final rule is
19 adopted, the respective department, board or commission shall
20 submit the cost assessment, legislative recommendations and
21 results of the consumer impact study to the majority and
22 minority leadership of the house of representatives, the
23 majority and minority leadership of the senate, the legislative
24 finance committee and the governor. The legislative
25 recommendations shall be considered in the immediately

.221871.2

underscoring material = new
~~[bracketed material] = delete~~

1 proceeding legislative session.

2 C. This section shall apply to rules effective on
3 and after May 25, 2021. For rules adopted prior to May 18,
4 2022, the cost assessment, legislative recommendations and
5 results of the consumer impact study shall be submitted
6 pursuant to Subsection B of this section within ninety days of
7 the effective date of this 2022 act.