

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: Feb 5, 2025

Check all that apply:

Bill Number: HB 34

Original Correction
Amendment Substitute

Sponsor: Rep. Sariñana, Rep. Lujan

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: Oil Conservation Protect Health & Environment

Analysis: J. Spenser Lotz

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	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 Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: The bill would amend Section 70-2-11 of the Oil and Gas Act to require the Oil Conservation Division (OCD) and Oil Conservation Commission (OCC) to protect public health and the environment in their implementation of the Oil and Gas Act.

The committee substitution does not alter the substance of this bill, instead reworking the text for clarity and uniformity.

FISCAL IMPLICATIONS

N/A.

SIGNIFICANT ISSUES

Presently, the regulatory powers of the OCC and OCD under 70-2-11 NMSA are limited to preventing waste and protecting correlative rights. HB 34 would expand that by adding the powers to “protect public health and the environment.” OCD would also be given authority to make rules and orders with respect to these objectives in the enumeration of powers in 70-2-12 NMSA. This may create the potential for duplication or conflict with rules by other state and federal agencies, for example NMED’s regulations governing emissions of ozone precursors from oil and gas operations. See 20.2.50 NMAC.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB34 is a Companion to HB35. HB35 would require the creation of “Children’s Health Protection Zones” which OCD would regulate for the protection of public health.

TECHNICAL ISSUES

At page 1, line 25, recommend use of a serial comma after “act” and before “and implement” for

clarity.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A.