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44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO OCCUPATIONAL LICENSES; ENACTING THE WATER WELL DRILLERS LICENSING ACT; REQUIRING LICENSURE; CREATING A BOARD; PRESCRIBING POWERS AND DUTIES; CREATING A FUND; PROVIDING PENALTIES; MAKING AN APPROPRIATION.

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

SHORT TITLE. -- This act may be cited as the Section 1. "Water Well Drillers Licensing Act".

Section 2. DEFINITIONS. -- As used in the Water Well Drillers Licensing Act:

"board" means the water well drillers advisory board:

"installer" means a person licensed by the В. state engineer to install or repair water well pumps and equipment; and

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1	C. "water well driller" means a person licensed by
2	the state engineer to drill water, inject wells, de-water
3	wells or monitor wells.
4	Section 3. LICENSE REQUIRED
5	A. It is unlawful for a person to:
6	(1) represent himself as a well driller
7	unless he is licensed pursuant to the Water Well Drillers
8	Licensing Act; or
9	(2) continue to act as a well driller if the
10	license issued pursuant to the Water Well Drillers Licensing
11	Act has expired or been revoked or suspended.
12	B. Driller trainees under the direct on-site
13	supervision of a water well driller are exempt from the
14	provisions of this section.
15	Section 4. BOARD CREATEDMEMBERSQUALIFICATIONS
16	TERMSVACANCI ESREMOVAL
17	A. The "water well drillers advisory board" is
18	created.
19	B. The board is composed of seven members, five
20	appointed by the state engineer, among whom:
21	(1) four are water well drillers and:
22	(a) are residents of New Mexico;
23	(b) have ten years or more experience
24	as well drillers; and
25	(c) represent the four geographic
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quadrants of the state; and

- $\begin{tabular}{ll} \end{tabular} \begin{tabular}{ll} \end{tabular} \beg$
- C. The remaining two members of the board are the state engineer or his designee and the secretary of environment or his designee.
- D. Members of the board shall not be employed by or own an interest in the same business.
- E. The initial appointed members of the board shall serve staggered terms, one of the members appointed for a term ending July 1, 2000, one for a term ending July 1, 2001, one for a term ending July 1, 2002 and two for terms ending July 1, 2003. Thereafter, appointments shall be made for terms of four years and be made in such a manner that the terms of no more than two board members expire on July 1 of each year. Vacancies shall be filled by appointment by the state engineer for the unexpired term within sixty days of the vacancy. Board members shall serve until their successors have been appointed and qualified.
- F. A board member who misses three consecutive meetings without being excused may be removed by the state engineer as a member of the board.
- G. The board shall meet at the call of the state engineer who shall serve as the chair, and appointed board members shall serve at the pleasure of the state engineer.

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1	H. Appointed members of the board may be
2	reimbursed as provided in the Per Diem and Mileage Act, but
3	shall receive no other compensation, perquisite or allowance.
4	I. The board is administratively attached to the
5	office of the state engineer and shall advise the state
6	engineer on administration of the Water Well Drillers
7	Li censi ng Act.
8	Section 5. STATE ENGINEERDUTIESThe state engineer
9	shall:
10	A. adopt and file in accordance with the State
11	Rules Act rules to carry out the provisions of the Water Well
12	Drillers Licensing Act and enforce the rules;
13	B. determine the qualifications of a water well
14	driller;
15	C. establish standards of water well construction
16	to protect ground water quality;
17	D. conduct the examination process for licensure
18	and issue licenses;
19	E. review complaints concerning the conduct of a
20	water well driller;
21	F. establish a record system for water well
22	driller licenses;
23	G. consult with the board on the administration of
24	the Water Well Drillers Licensing Act;
25	H. establish requirements for continued

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profi ci ency	i n	water	well	drilling	and	pump	installation;	and

I. establish ethical standards of conduct for water well drillers, including that a water well driller shall:

- (1) disclose all known adverse conditions about the quantity and quality of ground water in the area of a prospective well;
- (2) recommend that clients have well water analyzed;
- (3) inform the board of any unethical or unauthorized conduct known to the water well driller:
- (4) accurately represent to the prospective client the qualifications and capabilities of the licensee and the licensee's equipment;
- (5) not offer to perform services except in the class of well for which the water well driller is licensed and qualified by experience or knowledge;
 - (6) not evade contractual responsibility;
- (7) not enter into a partnership or agreement with or give the water well drilling equipment to a person not legally qualified to perform the services to be rendered; and
- (8) not falsely promote services, mislead or deceive.

Section 6. REQUIREMENTS FOR LICENSURE. -- The state engineer shall issue or renew an annual license as a water . 127327. 1

well driller or installer to an applicant who:

A. files a completed application accompanied by a required fee of one hundred dollars (\$100) for a resident license or two hundred dollars (\$200) for a nonresident license:

- B. is at least eighteen years of age;
- C. has two years or more of experience in the well drilling or pump installation business;
- D. passes an examination administered by or demonstrates to the state engineer at least ten years of experience in water well drilling or pump installation;
- E. demonstrates at least ninety days of residency prior to submission of the application for licensure or holds a valid license from another state that provides reciprocity for New Mexico residents:
 - F. has no criminal record;
- G. complies with all other requirements of law as a person doing business in the state; and
- H. agrees to comply with ethical standards established by the state engineer.
 - Section 7. LICENSE AND REGISTRATION TERMS AND RENEWAL. --
- A. The water well drilling license shall be displayed in a conspicuous place in the principal place of business.
- B. A water well driller shall notify the state . 127327.1

engineer within thirty days after a change in his address or any other information required by the board under conditions of the license.

C. No water well drilling license is transferable or reassignable.

Section 8. BOND REQUIRED. --

A. No license shall be issued pursuant to the Water Well Drillers Licensing Act unless the applicant files with the state engineer a surety bond in the sum of five thousand dollars (\$5,000). The bond shall run to the state, shall be executed and acknowledged by the applicant as principal and by a corporation that is licensed by the superintendent of insurance to transact the business of fidelity and surety insurance, as surety.

- B. The surety bond shall provide for suit by a person who has a cause of action pursuant to the Water Well Drillers Licensing Act or rules adopted pursuant to that act.
- C. No action shall be brought on a bond after the expiration of three years from the date of the occurrence of the act upon which a claim is based.
- D. The bond shall be continuous in form and remain in full force concurrently with the license and any renewals unless terminated or canceled by action of the surety.
- E. Upon the filing of thirty days' written notice with the board by a surety company of its withdrawal as the .127327.1

surety of a licensee, the board shall give notice by certified mail to the licensee of the withdrawal. The license of a licensee shall be void upon the termination of the bond by the surety company unless, prior to termination, a new bond has been filed with the board.

F. Should the license of a company to transact fidelity and surety insurance business in this state be canceled, revoked or otherwise terminated, all water well drilling business bonds for which the surety company is surety are canceled. Upon the cancellation, the license of any water well drilling business having a bond posted is suspended and shall remain suspended until a new and valid bond is filed. Failure of a licensee to file a new bond within thirty days after being advised by the state engineer revokes the license.

Section 9. DENIAL, SUSPENSION OR REVOCATION OF
LICENSE.--In accordance with procedures set forth in the
Uniform Licensing Act, the state engineer may deny, suspend or
revoke any license held or applied for under the Water Well
Drillers Licensing Act upon grounds that the licensee or
applicant:

A. made a false statement or gave false information in connection with an application for a license or renewal or reinstatement of a license;

B. violated any provision of the Water WellDrillers Licensing Act;

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- C. violated a rule or ethical standard of the state engineer adopted pursuant to the Water Well Drillers Licensing Act;
- D. has been convicted of a felony or a crime involving moral turpitude or illegally using, carrying or possessing a deadly weapon;
- E. has made a material misstatement of facts in a well record report or has failed to submit a well record report;
 - F. has failed to mark a water well rig;
- G. has failed to advise a person for whom a well is being drilled, deepened or otherwise altered that injurious water has been encountered that poses a potential pollution hazard, and the well must be plugged or properly completed in accordance with the state engineer's rules;
- H. has aided and abetted an unlicensed person to evade the provisions of the state engineer's rules;
- has knowingly conspired with or acted as an agent, partner or associate of an unlicensed person;
 - J. has performed a service incompetently;
- K. committed or permitted an employee to commit an act while the license was expired that would be cause for the suspension or revocation of a license or grounds for the denial of an application for a license;
- L. has been chronically or persistently inebriated . 127327.1

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or addicted to the illegal use of dangerous or narcotic drugs;

M has been adjudged mentally incompetent or insane: or

N. while unlicensed or under suspended license, represented himself as a water well driller.

Section 10. FUND CREATED. -- The "water well drillers fund" is established in the state treasury. All license fees received by the state engineer pursuant to the Water Well Drillers Licensing Act shall be deposited in the fund and shall be used by the state engineer for the administration of The state treasurer shall invest the fund as other state funds are invested, and all income derived from the fund shall be credited to the fund. All money in the fund is appropriated to the state engineer to carry out provisions of the Water Well Drillers Licensing Act. Disbursements from the fund shall be drawn on warrants of the secretary of finance and administration pursuant to vouchers signed by the state engineer or his authorized representative. All balances in the fund shall remain in the fund and shall not revert to the general fund.

Section 11. PENALTIES. --

A. A person who fraudulently represents himself to be a water well driller is guilty of a misdemeanor and shall be punished by a definite term of imprisonment of less than one year or a fine of not more than one thousand dollars

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(\$1,000) or both.

B. A person who violates a provision of the Water Well Drillers Licensing Act, except as provided for in Subsection A of this section, is guilty of a misdemeanor and shall be punished by a definite term of imprisonment of not more than six months or by a fine of not more than five hundred dollars (\$500) or both.

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FORTY- FOURTH	LEGI	SLATURE
FIRST SESS	ST ON	1999

March 9, 1999

Mr. Speaker:

Your BUSINESS AND INDUSTRY COMMITTEE, to whom has been referred

HOUSE BILL 767

has had it under consideration and reports same with recommendation that it **DO NOT PASS**, but that

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR HOUSE BILL 767

DO PASS, and thence referred to the **APPROPRIATIONS AND** FINANCE COMMITTEE.

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1 FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999 2 **3**HBI C/HB 767 Page 13 4 Respectfully submitted, 5 6 7 8 Fred Luna, Chairman 9 **10** 11 Adopted _____ Not Adopted ____ 12 (Chi ef Clerk) (Chief Clerk) **13** 14 Date _____ **15** The roll call vote was 11 For 1 Against 16 Yes: 11 **17** No: Lutz 18 Excused: None **19** Absent: None 20 21 G: \BILLTEXT\BILLW_99\H0767 22 23 24

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HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR HOUSE BILL 767

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

AN ACT

RELATING TO OCCUPATIONAL LICENSES; ENACTING THE WATER WELL DRILLERS LICENSING ACT; REQUIRING LICENSURE; CREATING A BOARD; PRESCRIBING POWERS AND DUTIES; CREATING A FUND; PROVIDING PENALTIES; REPEALING AND ENACTING SECTIONS OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

Section 1. SHORT TITLE. -- This act may be cited as the "Water Well Drillers Licensing Act".

Section 2. DEFINITIONS.--As used in the Water Well Drillers Licensing Act:

- A. "board" means the water well drillers licensing board; and
- B. "water well driller" means a person licensed by the state engineer to drill a water well, an injection well, a de-watering well or a monitoring well.
 - Section 3. LICENSE REQUIRED. --
 - A. It is unlawful for a person to:

(1) drill a water well without being licensed
as a water well driller by the state engineer pursuant to the
Water Well Drillers Licensing Act;
(2) represent himself as a water well driller
unless he is licensed pursuant to the Water Well Drillers
Licensing Act;

- (3) continue to act as a water well driller if the license issued pursuant to the Water Well Drillers Licensing Act has expired or been revoked or suspended;
- (4) allow the drilling of a well for water by a person other than a water well driller licensed pursuant to the Water Well Drillers Licensing Act;
- (5) produce water from an underground source through any well drilled in violation of the Water Well Drillers Licensing Act; or
- (6) apply water from an underground source to land having no valid water right for the purpose to which applied.
- B. Exempted from the provisions of this section are:
- (1) driller trainees under the direct on-site supervision of a water well driller;
- (2) persons who construct driven wells if the casing of that well does not exceed two and three-eighths inches outside diameter; and
- (3) wells subject to the authority of the oil conservation division pursuant to the Oil and Gas Act and other laws conferring power to the oil conservation division to prevent or abate water pollution.
- Section 4. BOARD CREATED--MEMBERS--QUALIFICATIONS--TERMS--VACANCIES--REMOVAL.--
- A. The "water well drillers licensing board" is . 128823.1

created.

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- В. The board is composed of seven members, five appointed by the state engineer, among whom:
 - four are water well drillers and: **(1)**
 - (a) are residents of New Mexico;
- (b) have ten years or more experience as well drillers; and
- (c) represent the four geographic quadrants of the state; and
- one is a representative of the general **(2)** public.
- C. The remaining two members of the board are the state engineer or his designee and the secretary of environment or his designee.
- Members of the board shall not be employed by or own an interest in the same business.
- E. The initial appointed members of the board shall serve staggered terms, one of the members appointed for a term ending July 1, 2000, one for a term ending July 1, 2001, one for a term ending July 1, 2002 and two for terms ending July 1, 2003. Thereafter, appointments shall be made for terms of four years and be made in such a manner that the terms of no more than two board members expire on July 1 of each year. A vacancy shall be filled by appointment by the state engineer for the unexpired term within sixty days of the vacancy. Board members shall serve until their successors have been appointed and qualified.
 - A board member who misses three consecutive F.

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meetings without being excused may be removed by the state engineer as a member of the board.

- G. The board shall meet at the call of the state engineer, who shall serve as the chair, and appointed board members shall serve at the pleasure of the state engineer.
- H. Appointed members of the board may be reimbursed as provided in the Per Diem and Mileage Act, but shall receive no other compensation, perquisite or allowance.
- I. The board is administratively attached to the office of the state engineer and shall advise the state engineer on administration of the Water Well Drillers Licensing Act.
 - Section 5. STATE ENGINEER--POWERS--DUTIES. --
 - A. The state engineer shall:
- (1) adopt and file in accordance with the State Rules Act rules to carry out the provisions of the Water Well Drillers Licensing Act and enforce the rules; and
- (2) require a bond in form and with adequate surety to be approved by him in the penal sum of five thousand dollars (\$5,000) conditioned on the applicant complying with the Water Well Drillers Licensing Act and rules of the state engineer and all laws of New Mexico pertaining to drilling of wells.
 - B. The state engineer may:
- (1) in district court, apply for and obtain an injunction against:
- (a) a person who drills a well or allows a well to be drilled in violation of the provisions of

the Water Well Drillers Licensing Act;

(b) a person who produces water from any well drilled in violation of the provisions of the Water Well Drillers Licensing Act; and

- (c) a person who applies water from an underground source to lands having no valid water right for the purpose to which applied;
- (2) suspend or revoke, upon notice and hearing, a water well driller's license in the event that the licensee violated any provision of the Water Well Drillers Licensing Act or rules adopted pursuant to that act, appealable to a district court;
- (3) recover in a civil suit in the district court of the county where the well involved is located and judgment for damages caused by a well drilled in violation of the Water Well Drillers Licensing Act;
- (4) charge a water well driller license application fee not to exceed twenty-five dollars (\$25.00) to be deposited with the state treasurer and placed in the general fund; and
- (5) recover a civil penalty on behalf of the state of New Mexico in an amount to be determined by the district court in which the action is tried, not to exceed one thousand dollars (\$1,000), and judgment for both damages and penalty shall be against the principal and sureties upon the bond.
- C. The provision contained in Subsection B of this section shall not be construed to affect the existing right of

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a court of equity in the exercise of its general equity powers to grant relief to the state of New Mexico.

Section 6. BOARD--DUTIES. -- The board shall:

- A. review experience records and qualifications of applicants for licensure;
- B. recommend appropriate standards of water well construction to protect ground water quality;
 - C. develop an examination process for licensure;
- D. review complaints concerning the conduct of a water well driller and recommend action to the state engineer;
- E. establish requirements for continued proficiency in water well drilling; and
- F. establish ethical standards of conduct for water well drillers, including that a water well driller shall:
- (1) disclose all known adverse conditions about the quantity and quality of ground water in the area of a prospective well;
- (2) recommend that clients have well water analyzed;
- (3) inform the board of any unethical or unauthorized conduct known to the water well driller;
- (4) accurately represent to the prospective client the qualifications and capabilities of the licensee and the licensee's equipment;
- (5) not offer to perform services except in the class of well for which the water well driller is licensed and qualified by experience or knowledge;

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- (7) not falsely promote services, mislead or deceive.
- Section 7. REQUIREMENTS FOR LICENSURE. -- The state engineer shall issue or renew a biennial license as a water well driller or installer to an applicant who:
- A. files a completed application accompanied by a required fee of two hundred dollars (\$200) for a resident license or four hundred dollars (\$400) for a nonresident license:
 - B. is at least eighteen years of age;
- C. passes an examination administered by the state engineer, has a valid license on the effective date of the Water Well Drillers Licensing Act;
- D. demonstrates at least ninety days of residency prior to submission of the application for licensure or holds a valid license from another state that provides reciprocity for New Mexico license holders; and
- E. agrees to comply with the rules established by the state engineer.
- Section 8. LICENSE AND REGISTRATION TERMS AND RENEWAL. --
- A. The water well driller license shall be displayed in a conspicuous place in the water well driller's principal place of business.
- B. A water well driller shall notify the state engineer within thirty days after a change in his address or any other information required by the board under conditions

of the license.

C. No water well driller license is transferable or re-assignable.

D. A water well driller shall have ninety days after expiration of his license to renew the license without taking the examination.

Section 9. DENIAL, SUSPENSION OR REVOCATION OF LICENSE.--In accordance with procedures set forth in the Uniform Licensing Act, the state engineer may deny, suspend or revoke any license held or applied for pursuant to the Water Well Drillers Licensing Act upon grounds that the licensee or applicant:

A. made a false statement or gave false information in connection with an application for a license or renewal or reinstatement of a license; or

B. willfully violated any provision of the Water Well Drillers Licensing Act or rules established pursuant to that act.

Section 10. FUND CREATED.--The "water well drillers fund" is established in the state treasury. All license and examination fees received by the state engineer pursuant to the Water Well Drillers Licensing Act shall be deposited in the fund and shall be used by the state engineer for the administration of that act. The state treasurer shall invest the fund as other state funds are invested, and all income derived from the fund shall be credited to the fund. All money in the fund is appropriated to the state engineer to carry out the provisions of the Water Well Drillers Licensing

Act. Disbursements from the fund shall be drawn on warrants of the secretary of finance and administration pursuant to vouchers signed by the state engineer or his authorized representative. All balances in the fund shall remain in the fund and shall not revert to the general fund.

Section 11. PENALTIES. -- A person violating any provision of the Water Well Drillers Licensing Act or of the rules of the state engineer adopted pursuant to that act is guilty of a misdemeanor and, upon conviction, shall be fined in a sum of not less than twenty-five dollars (\$25.00) nor more than two hundred fifty dollars (\$250) for each offense. Each day that the violation continues shall be construed a separate offense for the purpose of this section.

Section 12. REPEAL. -- Sections 71-12-12 through 71-12-16 NMSA 1978 (being Laws 1949, Chapter 178, Sections 1 through 5, as amended) are repealed.

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FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999

March 11, 1999

Mr. Speaker:

Your **APPROPRIATIONS AND FINANCE COMMITTEE**, to whom has been referred

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR HOUSE BILL 767

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

- 1. On page 2, strike lines 16 through 21.
- 2. On page 5, lines 14 and 15, strike the colon and '(a)".
 - $3. \quad \mbox{0n page 5, strike lines 18 through 23.} \\$
 - 4. On page 9, line 20, strike "license and".
- 5. On page 9, line 23, strike "and" and insert in lieu thereof ". Subject to appropriation by the legislature, the

1		FORTY-FOUR	RTH LEGISLATU	RE	
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FORTY-FOURTH LEGISLATURE

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FIRST SESSION, 1999 3HB/HBIC/HB 767 The roll call vote was <u>15</u> For <u>0</u> Against Yes: Excused: Coll, Saavedra Absent: None G: \BILLTEXT\BILLW_99\H0767

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HBIC/HB 767

FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999

1HB/HBIC/HB 767 Page 26 2 3 4 FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999 5 6 7 March 18, 1999 8 9 Mr. President: 10 11 Your CONSERVATION COMMITTEE, to whom has been referred 12 HOUSE BUSINESS AND INDUSTRY COMMITTEE **13** SUBSTITUTE FOR HOUSE BILL 767, as amended 14 15 has had it under consideration and reports same with 16 recommendation that it DO PASS, and thence referred to the **17** JUDICIARY COMMITTEE. 18 19 Respectfully submitted, 20 21 22 23 24 Fernando R. Macias, Chairman 25

FORTY-FOURTH LEGISLATURE FIRST SESSION, 1999

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4	Adopted		Not	
6	. –	(Chief Clerk)		(Chief Clerk)
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9		Date		
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11	The roll	call vote was <u>7</u> For	· 1 Against	
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	No:	Vernon		
14	Excused:	Payne, Sanchez		
15	Absent:	None		
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