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FISCAL IMPACT REPORT

SPONSOR Silva DATE TYPED 02/24/05 HB HJM58

SHORT TITLE Study Natural Gas Gathering Services SB _____

ANALYST Padilla-Jackson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
NFI	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals & Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Joint Memorial 58 would direct the Revenue Stabilization and Tax Policy Committee to examine whether the Oil Conservation Division (OCD) of the Energy, Minerals & Natural Resources Department should be authorized to investigate complaints from natural gas producers of unfair, inequitable, or discriminatory practices by natural gas gatherers. Additionally, the study would examine whether the OCD should be authorized to require that natural gas gathering services be provided on terms and conditions that are fair, equitable and nondiscriminatory.

Significant Issues

EMNRD notes that, at present, the OCD regulates gas gathering systems for the prevention of waste of natural gas and regulates disposition of waste from such facilities, but does not currently regulate rates and terms of service to customers.

PERFORMANCE IMPLICATIONS

EMNRD notes that the study would not have performance implications, though if the OCD would be required to regulate natural gas gathering systems it would likely require additional staff and funding.

FISCAL IMPLICATIONS

Given that the Revenue Stabilization and Tax Policy Committee has already been appropriated funding for the interim, the provisions of this memorial would unlikely have a fiscal impact. The presentations would likely be made by the Oil Conservation Division and outside groups.

TECHNICAL ISSUES

The memorial does not address how the findings of such an exercise would be communicated to New Mexico policy makers.

OPJ/lg