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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-24-2008

SPONSOR Nuñez LAST UPDATED \_\_\_\_\_ HB HJM15

SHORT TITLE Pump Installer Regulations Task Force SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>	\$0.1	\$0.1	\$0.1	\$0.1	Recurring <sup>1</sup>	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the State Engineer (OSE)  
New Mexico Department of Agriculture (NMDA)  
Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 15 resolves that the state engineer appoint a task force that includes the New Mexico farm and livestock bureau, the New Mexico cattle growers association, the dairy producers of New Mexico, the New Mexico home builders association, the realtors association of New Mexico, the New Mexico ground water association, the associated builders and

<sup>1</sup> Projected by OSE. See *Administrative Implications*.

contractors of New Mexico, and the construction industries division of the regulation and licensing department to develop regulations for ground water well pump installer certification.

There is no appropriation attached to this legislation.

### **FISCAL IMPLICATIONS**

OSE indicates that this legislation significantly impacts the agency as it would need to devote existing resources to establish a task force and coordinate the development of regulations for certifying pump installers. It estimates that, at a minimum, 1 FTE plus additional resources for operating costs, i.e. copying, mailing, travel costs, etc., will be required from the OSE to accomplish the requested task. The estimated time for completion – through promulgation of the requested rules – is 2-years. More than one OSE staff member will be involved with the process but the full-time equivalent is estimated to be 1 FTE.

Additionally, significant staff time would be required to coordinate the task force and hold three to five meetings or workshops to develop a regulatory framework for certifying pump installers. Promulgating the actual regulations would require at least five additional meetings or workshops plus the mandatory hearing in Santa Fe for final promulgation of the regulations.

### **SIGNIFICANT ISSUES**

OSE anticipates that defining the regulatory responsibilities of the OSE and the Construction Industries will be a significant task. Construction industries regulate and license electricians and the state engineer regulates and licenses well drillers. Pump installers do not fall in either category. Further, the development of regulations will be a multi-year process – a minimum of 2 years is estimated, and some members of the task force may not have the necessary background to review the technical issues on pump installation and groundwater protection. The OSE does not regularly employ electrical engineers so would have to rely on other agencies input for the electrical requirements of the rules and regulations.

### **PERFORMANCE IMPLICATIONS**

OSE notes that no funds are provided by this legislation, so tasks would have to be accomplished within OSE's presently available resources. The requested tasks would take resources away from other agency projects and other agency priorities that, in turn, affect the agency's ability to meet its performance measures. RLD adds that representatives from the Construction Industries Division at the Regulation and Licensing Department, among others, will be a part of the task force that will develop regulations for ground water well pump installer certification.

### **ADMINISTRATIVE IMPLICATIONS**

OSE predicts that significant staff time would be required to coordinate the task force and hold up to five meetings or workshops to develop a regulatory framework for certifying pump installers. Promulgating the actual regulations would require at least five additional meetings or workshops plus the mandatory hearing in Santa Fe for final promulgation of the regulations. Also, OSE staff would be responsible for promulgating or implementing regulations, administering the pump installer licensing program, issuing pump installer licenses and providing continuing education for pump installation certification. It is estimated that, at a

minimum, 1 FTE plus additional resources for operating costs, i.e. copying, mailing, travel costs, etc., will be required from the OSE to accomplish the requested task. The estimated time for completion – through promulgation of the requested rules – is 2-years. More than one OSE staff member will be involved with the process but the full-time equivalent is estimated to be 1 FTE.<sup>2</sup>

### **OTHER SUBSTANTIVE ISSUES**

OSE suggests that the Construction Industries Division may require a pump installer to have a contractor's license for the electrical work involved in pump installation. The issue of if and when a contractor's license is required during pump installation needs to be reviewed and resolved.

### **ALTERNATIVES**

OSE proposes the modification of the goal of the task force from “developing regulations” to “recommending a regulatory framework for certifying pump installers”. The task force would be responsible for recommending the regulatory roles of the OSE and the Construction Industries Division in certifying pump installers, and then propose general regulations for the certification process.

BFW/nt

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<sup>2</sup> It should be noted that the agency does not supply any projections of costs or FTE requirements.