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FISCAL IMPACT REPORT

SPONSOR Roybal Caballero ORIGINAL DATE 1/26/15
 LAST UPDATED _____ HM 1

SHORT TITLE EMNRD Website Oil & Gas Info SB _____

ANALYST Armstrong

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$333.3 - \$440.4		\$330.3 - \$440.4	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
 State Land Office (SLO)

SUMMARY

Synopsis of Bill

House Memorial 1 resolves that EMNRD’s Oil Conservation Division (OCD) post on its web site information related to the number of active and inactive wells in New Mexico, the number of OCD inspectors, the number of violations of the Oil and Gas Act, the actions taken in response to violations, a list of oil and gas facilities fined for violations, the cash balance in the Oil and Gas Reclamation Fund, and expenditures from the fund. HM1 also resolves that OCD present this information with recommendations to address public concerns about the impact of drilling for oil and gas on groundwater to relevant interim legislative committees and the governor.

FISCAL IMPLICATIONS

According to EMNRD, producing this information, posting it online, and conducting stakeholder meetings to make recommendations regarding public concerns could require up to \$440.4 thousand in FY16 and that ongoing work to gather and update the information posted online would require new staff and/or pulling existing staff away from current their duties. This cost was estimated by the cost of contracting two full-time data quality assurance consultants (\$381.9 thousand), contracting web development services (\$50.5 thousand), and use of internal resources (\$8.0 thousand). The estimated costs for contractual services are subject to changes in the market value of the services, explaining the low end of the fiscal impact in the table above.

SIGNIFICANT ISSUES

HM1 seeks summaries of some information already electronically available to the public, but in a different format, and also asks for some information not currently available such as Oil and Gas Reclamation Fund expenditures and the number of inspectors at OCD. Although most of the information HM1 requests OCD post online is already available, a person seeking it would either have to query existing databases or request information under the Inspection of Public Records Act.

PERFORMANCE IMPLICATIONS

EMNRD's analysis raised concerns that complying with HM 1 will be difficult to accomplish without adding new staff and/or pulling existing staff, including inspectors, away from their current duties.

JA/bb