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## FISCAL IMPACT REPORT

**SPONSOR** Montoya **ORIGINAL DATE** 3/05/2015 **HM** 105  
**LAST UPDATED**

**SHORT TITLE** Support Crude Oil Export Ban Relief **SB** \_\_\_\_\_

**ANALYST** McReynolds

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of Bill

House Memorial 105 (HM 105) requests that the New Mexico’s Congressional Delegation recognize that crude oil exports and free trade are in the national interest and that the delegation support all efforts to eliminate the current ban on exporting crude oil.

Copies of HM 105 are to be sent to the New Mexico Congressional Delegation, the President of the United States, the U.S. Secretary of Commerce, the U.S. Secretary of Energy, the Majority Leader of the U.S. Senate and the Speaker of the U.S. House of Representatives.

### FISCAL IMPLICATIONS

EMNRD reports no fiscal impact.

### SIGNIFICANT ISSUES

HM 105 recognizes that nearly one-third of the New Mexico General Fund revenues for the operation of the state government are a direct result of oil and gas tax revenues. Any expansion in exploration and export capabilities for crude oil would positively impact revenues for the state in the future. HM 105 further claims that lifting the ban “will increase employment in New

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Mexico and will maximize state revenues by adding millions of dollars.”

EMNRD reports that the 1975 Energy Policy and Conservation Act (Pub. Law No. 94-163) was enacted to ban crude oil exports except in limited circumstances. The law was enacted in response to the oil crisis of the early 1970s. The law was intended to keep American crude oil at home and reduce dependence on foreign oil.

The shale oil production boom of recent years has resulted in large increases in domestic production and a decrease in foreign oil imports. While the U.S. still imports oil, some types of new U.S. production lack sufficient refinery capacity and could benefit from direct export. As a result, there has been much national debate about whether to lift the ban. The U.S. Department of Commerce has already lifted part of the ban by allowing exports of lightly processed oil (ultra-light or condensate oil).

KM/je/aml