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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/18
LAST UPDATED 2/06/18 **HB** _____

SPONSOR Kernan

SHORT TITLE Storage Tank & Tank Tester Compliance **SB** 28/aSCONC

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal	Minimal	Minimal	Minimal	Recurring	Corrective Action Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB90

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

New Mexico Environment Department (NMED)

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment strikes reference to “49 U.S.C. 601” and replaces it with “Chapter 601 of Title 49 of the United States Code” to properly reference federal statute.

Synopsis of Original Bill

Senate Bill 28 updates the definition of “pipeline facility” to ensure consistency with federal regulation and defines a tank tester in both the Hazardous Waste Act and the Ground Water Protection Act.

FISCAL IMPLICATIONS

According to NMED, there is minimal fiscal impact related to defining a tank tester and developing a certified tank tester program which can be absorbed by the agency’s operating budget. A processing fee will be set to offset the costs of processing applications and maintain

associated lists of certified testers and associated records. Estimated revenue will be less than \$5 thousand per year.

SIGNIFICANT ISSUES

The federal definition referenced by current law has been replaced. SB 28 amends the Hazardous Waste Act, 74-4-3 NMSA 1978, and the Ground Water Protection Act, 74-6B-3 NMSA 1978, to better define the pipeline facilities excluded from the law by replacing references to the names of two federal laws with the United States Code citation and define “tank tester” as “any individual who tests storage tanks.”

The bill also amends 74-4-4.4 NMSA 1978 to allow the Environmental Improvement Board to require the certification of “tank testers,” provide for grounds upon which such certification can be suspended or revoked, and set reasonable and necessary fees for “tank testers” certification.

According to NMED:

Both federal and state regulations mandate that tank systems are tested regularly as part of operation and maintenance requirements. The Petroleum Storage Tank Bureau’s Prevention and Inspection program significantly prevents the number and magnitude of releases from petroleum storage tanks per year such that less than 30 new releases were reported per year over the last 10 years in contrast to over 100 per year in the preceding two decades. Regular testing ensures that tanks, and associated spill prevention and release detection equipment, are competent and functioning to protect human health and the environment so that releases are prevented or are identified as soon as possible, to minimize the magnitude of releases from petroleum storage tanks.

The proposed definition of a tank tester and certification for a tank tester ensures that accurate and reliable tests are being performed in compliance with the regulations and industry codes and standards. This ensures the integrity of the tank systems and that persons performing the tests have received required training and meet applicable qualifications.

Having a process to identify certified testers will reduce the burden on tank owners who would otherwise have to demonstrate and document the qualifications of persons performing the required tests to NMED each time a test is performed.

CJ/sb