

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: Jan 22, 2025

Check all that apply:

Bill Number: HB 34

Original x Correction
Amendment Substitute

Sponsor: Rep. Sariñana, Rep. Lujan

Agency Name and Code Number: 305 – New Mexico
Department of Justice

Person Writing

Short Title: Oil Conservation Protect
Health & Environment

Analysis: J. Spenser Lotz

Phone: 505-537-7676

Email: legisfir@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: This bill would amend Section 70-2-11 of the Oil and Gas Act to require the Oil Conservation Division (OCD) and Oil Conservation Commission (OCC) to protect public health and the environment in the implementation of the Oil and Gas Act.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

Presently, the regulatory powers of the OCC and OCD under 70-2-11 NMSA are limited to preventing waste and protecting correlative rights. HB 34 would expand that by adding the powers to “protect public health and the environment.” OCD would also be given authority to make rules and orders with respect to these objectives in the enumeration of powers in 70-2-12 NMSA. This may create the potential for duplication or conflict with rules by other state and federal agencies, for example NMED’s regulations governing emissions of ozone precursors from oil and gas operations. See 20.2.50 NMAC.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

Under NMSA 1978, Section 70-2-4(C), the Attorney General is counsel to the OCC. HB34’s addition of public health and environmental protection to the OCC’s responsibilities could lead to additional legal analysis required by NMDOJ.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB34 is a Companion to HB35. HB35 would require the creation of “Children’s Health Protection Zones” which OCD would regulate for the protection of public health.

TECHNICAL ISSUES

At page 1, line 20, recommend use of a serial comma after “health” for clarity.

“70-2-11. POWER OF COMMISSION AND VISION TO PREVENT WASTE AND PROTECT CORRELATIVE RIGHTS, PUBLIC HEALTH, AND THE ENVIRONMENT.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

None noted.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A.