

**LFC Requester:** \_\_\_\_\_

**AGENCY BILL ANALYSIS**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

Original     Amendment    \_\_\_\_\_  
 Correction    \_\_\_\_\_ Substitute    \_\_\_\_\_

Date 1/7/25  
 Bill No: HB 34

**Sponsor:** Rep. Debra Sariñana  
**Short Title:** Oil Conservation Protect Health & Environment

**Agency Name and Code**                      EMNRD 521  
**Number:** \_\_\_\_\_

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

*Use the bill text to find the appropriation numbers. If there is no specified fund, the fund affected is the General Fund (GF). Leave this section blank if there is no appropriation.*

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

This Bill adds the power to protect “Public Health and the Environment” when implementing the act.

### **FISCAL IMPLICATIONS**

It is not possible to quantify what the fiscal implications would be as the bill does not define the intended protection that is implied by “public health” or “environment” as both terms are very general.

Generally, the Oil Conservation Division (OCD) currently evaluates impacts through the implementation of its rules. If these terms are meant in a general sense, then there would be no fiscal implication.

If these terms are meant to increase the level of review, then they could have significant fiscal implications both on OCD and the State, as it may require a fully comprehensive health and environmental analysis for each OCD action, similar to Federal NEPA requirements.

### **SIGNIFICANT ISSUES**

The bill does not define the protections implied by the terms "public health" and "environment," as both are very general.

Currently, OCD evaluates impacts through the implementation of its rules. If these terms are intended in a general sense, this process is already being carried out, and the legislative intent of the bill is duplicative.

If the terms “public health” and “environment” meant to increase the level of review it could have significant impacts on both on OCD and the State, as it may require up to full health and environmental analysis for each OCD action, similar to Federal NEPA requirements.

### **PERFORMANCE IMPLICATIONS**

The bill does not define the protections implied by the terms "public health" and "environment," as both are very general. As a result, performance implications cannot be quantified.

### **ADMINISTRATIVE IMPLICATIONS**

The bill does not define the protections implied by the terms "public health" and "environment," as both are very general. As a result, administrative issues cannot be quantified

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

The bill does not define the protections implied by the terms "public health" and "environment," as both are very general. As a result, this interpretation can be understood in various ways, leading to uncertainty and potential conflict in its implementation.

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None

## **AMENDMENTS**