

1 SENATE BILL 143

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO PUBLIC UTILITIES; CREATING THE UTILITY OVERSIGHT  
12 FUND; INCREASING CERTAIN FEES AND CHANGING DISTRIBUTION OF  
13 COLLECTED FEES AND PENALTIES; PROVIDING FOR THE ENFORCEMENT OF  
14 FEES BY THE PUBLIC REGULATION COMMISSION.  
15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. A new section of the Public Utility Act is  
18 enacted to read:

19 "[NEW MATERIAL] UTILITY OVERSIGHT FUND.--

20 A. The "utility oversight fund" is created in the  
21 state treasury. The fund consists of fees collected pursuant  
22 to Sections 62-8-8, 62-8-9 and 63-7-20 NMSA 1978, as well as  
23 appropriations, gifts, grants and donations and earnings on  
24 investment of the fund. Balances in the fund shall not revert  
25 to the general fund or any other fund at the end of a fiscal

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1 year.

2 B. The utility oversight fund shall be administered  
3 by the commission. Money in the fund is subject to  
4 appropriation by the legislature to the commission to carry out  
5 its duties pursuant to the Public Utility Act.

6 C. Disbursements from the utility oversight fund  
7 shall be made by warrant of the secretary of finance and  
8 administration pursuant to vouchers issued and signed by the  
9 director of the administrative services division of the  
10 commission or the director's authorized representative."

11 SECTION 2. Section 62-8-8 NMSA 1978 (being Laws 1967,  
12 Chapter 96, Section 6, as amended) is amended to read:

13 "62-8-8. INSPECTION AND SUPERVISION FEE.--

14 A. Each utility doing business in this state and  
15 subject to the control and jurisdiction of the commission with  
16 respect to its rates or service regulations shall pay annually  
17 to the state a fee for the inspection and supervision of such  
18 business in an amount equal to five hundred [~~six~~] ninety  
19 thousandths percent of its gross receipts from business  
20 transacted in New Mexico for the preceding calendar year. That  
21 sum shall be payable on or before the [~~first~~] last day of April  
22 in each year. An inspection and supervision fee shall be paid  
23 by utilities in addition to all property, franchise, license,  
24 intangible and other taxes, fees and charges provided by law.  
25 No similar inspection and supervision fee shall be measured by

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1 the amount of the gross receipts of such utility for the  
2 calendar year next preceding the date fixed in this section for  
3 the payment of the fee. In the case of utilities engaged in  
4 interstate business, the inspection and supervision fee shall  
5 be measured by the gross receipts of those utilities from  
6 intrastate business only for that preceding calendar year and  
7 not in any respect upon receipts derived wholly or in part from  
8 interstate business. No inspection and supervision fee shall  
9 be charged on the gross receipts from the sale of gas, water or  
10 electricity to a utility regulated by the commission for resale  
11 to the public.

12 B. Prior to July 1, 2031, the fees established  
13 pursuant to this section may be adjusted annually by the  
14 commission; provided that any increase shall not be greater  
15 than the prior year's increase in the employment cost index for  
16 state and local government as published by the federal bureau  
17 of labor statistics."

18 SECTION 3. Section 62-8-9 NMSA 1978 (being Laws 1957,  
19 Chapter 25, Section 1, as amended) is amended to read:

20 "62-8-9. DISPOSITION OF FUNDS--INTEREST AND PENALTY ON  
21 LATE PAYMENTS.--

22 A. All fees and money collected under the  
23 provisions of the Public Utility Act, including fees provided  
24 for in Section 62-13-2 NMSA 1978 and including fees and charges  
25 for inspection and supervision, for stenographic services and

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1 for transcripts of evidence, shall be remitted by the  
2 commission to the state treasurer and credited to the utility  
3 oversight fund not later than the day following receipt.

4 Payments provided for in the Public Utility Act shall be  
5 obligatory upon all utilities subject to the Public Utility  
6 Act.

7 B. When a fee is not paid on the date it is due,  
8 interest shall be paid to the state on the amount due. The  
9 interest on the amount due shall start to accrue on the day  
10 following the due date and will continue to accrue until the  
11 total amount due is paid. The rate of interest on a late fee  
12 payment shall be fifteen percent per year, computed at the rate  
13 of one and one-fourth percent per month.

14 C. In addition to any interest due on a late fee  
15 payment, a penalty shall be paid to the state for failure to  
16 pay the fee when it was due. The penalty imposed shall be two  
17 percent of the amount of the fee due.

18 D. The [~~attorney general, in the name of the state~~]  
19 commission shall bring suit to collect fees, interest and  
20 penalties that remain unpaid."

21 SECTION 4. Section 62-13-2 NMSA 1978 (being Laws 1957,  
22 Chapter 25, Section 2, as amended) is amended to read:

23 "62-13-2. FEES.--The commission shall collect fees for  
24 the following [~~fees~~], which shall be remitted to the state  
25 treasurer not later than the day following receipt; provided

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1 that the commission may increase by administrative rule the  
2 fees set forth in this section in amounts that do not exceed  
3 the cost of administrative proceedings before the commission:

4           A. for filing any rate schedule, service rule or  
5 regulation or sample form, or amendment thereto, one dollar  
6 (\$1.00);

7           B. for filing each application, petition or  
8 complaint, twenty-five dollars (\$25.00);

9           C. for copies of papers, testimony and records, the  
10 reasonable cost of such copies as the commission may provide  
11 from time to time by rule; and

12           D. for certifying any copy of any paper, testimony  
13 or record, two dollars (\$2.00)."

14           SECTION 5. Section 62-14-8 NMSA 1978 (being Laws 1973,  
15 Chapter 252, Section 8, as amended) is amended to read:

16           "62-14-8. PENALTIES.--In addition to any other liability  
17 imposed by law, an excavator, after a formal hearing and upon a  
18 finding, who has failed to comply with Subsection C of Section  
19 62-14-3 NMSA 1978 is subject to an administrative penalty of up  
20 to five thousand dollars (\$5,000) for a first offense as  
21 assessed by the commission. Thereafter, the commission may  
22 assess an administrative penalty of up to a maximum of twenty-  
23 five thousand dollars (\$25,000) for subsequent violations of  
24 Subsection C of Section 62-14-3 NMSA 1978. In addition to any  
25 other penalty imposed by law, an operator of underground

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1 pipeline facilities or underground utilities, excavator or  
2 operator of a one-call notification system, after formal  
3 hearing and upon a finding, who has willfully failed to comply  
4 with Chapter 62, Article 14 NMSA 1978 shall be subject to an  
5 administrative penalty of up to five thousand dollars (\$5,000)  
6 for a first offense as assessed by the commission. Thereafter,  
7 upon finding that a violation of Chapter 62, Article 14 NMSA  
8 1978 has occurred, the commission may, upon consideration of  
9 the nature, circumstances, gravity of the violation, history of  
10 prior violations, effect on public health, safety or welfare  
11 and good faith on the part of the person in attempting to  
12 remedy the cause of the violation, assess an administrative  
13 penalty up to a maximum of twenty-five thousand dollars  
14 (\$25,000) per violation consistent with federal law. No  
15 offense occurring more than five years prior to the current  
16 offense charged shall be considered for any purpose. All  
17 actions to recover the penalties provided for in this section  
18 shall be brought by the commission. All penalties recovered in  
19 any such action shall be [~~paid into the state general~~]  
20 deposited in the current school fund."

21 SECTION 6. Section 63-7-20 NMSA 1978 (being Laws 1951,  
22 Chapter 194, Section 1, as amended) is amended to read:

23 "63-7-20. UTILITY INSPECTION--FEE.--

24 A. Each utility doing business in this state that  
25 is subject to the control and jurisdiction of the commission by  
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1 virtue of the provisions of Article 11 of the constitution of  
2 New Mexico with respect to its rates and service shall pay  
3 annually to the commission a fee in performance of its duties  
4 as now provided by law. The fee for utilities shall not exceed  
5 five hundred [~~eleven~~] ninety thousandths percent of its gross  
6 receipts from business transacted in New Mexico for the  
7 preceding calendar year. This sum shall be payable annually on  
8 or before April [~~+~~] 30 in each year. No similar fee shall be  
9 imposed upon the utility. In the case of utilities engaged in  
10 interstate business, the fees shall be measured by the gross  
11 receipts of the utilities from intrastate business only for the  
12 preceding calendar year and not in any respect upon receipts  
13 derived wholly or in part from interstate business. Prior to  
14 July 1, 2031, the fees established pursuant to this section may  
15 be adjusted annually by the commission; provided that any  
16 increase shall not be greater than the prior year's increase in  
17 the employment cost index for state and local government, as  
18 published by the federal bureau of labor statistics. As used  
19 in this section, "utility" includes telephone companies and  
20 transmission companies but does not include public utilities  
21 subject to the Public Utility Act.

22 B. When a fee is not paid on the date it is due,  
23 interest shall be paid to the state on the amount due. The  
24 interest on the amount due shall start to accrue on the day  
25 following the due date and shall continue to accrue until the

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1 total amount due is paid. The rate of interest on a late fee  
2 payment shall be fifteen percent per year, computed at the rate  
3 of one and one-fourth percent per month.

4 C. In addition to any interest due on a late fee  
5 payment, a penalty shall be paid to the state for failure to  
6 pay the fee when it is due. The penalty imposed shall be two  
7 percent of the amount of the fee due.

8 D. The [~~attorney general, in the name of the state~~]  
9 commission shall bring suit to collect fees, interest and  
10 penalties that remain unpaid."

11 SECTION 7. Section 63-7-21 NMSA 1978 (being Laws 1951,  
12 Chapter 194, Section 2, as amended) is amended to read:

13 "63-7-21. DISPOSITION OF FEES.--All [~~moneys~~] money  
14 collected under the provisions of [~~Chapter 194, Laws of 1951~~]  
15 Section 63-7-20 NMSA 1978 shall be deposited with the state  
16 treasurer [~~and by him credited~~] and shall be credited to the  
17 [~~general~~] utility oversight fund."

18 SECTION 8. Section 70-3-2 NMSA 1978 (being Laws 1953,  
19 Chapter 42, Section 3, as amended) is amended to read:

20 "70-3-2. LICENSE--FEES--DISPOSITION.--[~~Each~~] An operator  
21 of a pipeline [~~or pipelines~~] operated in the state [~~of New~~  
22 ~~Mexico~~] for the transportation of crude oil, natural gas or the  
23 products derived [~~therefrom~~] from either shall, during the  
24 month of July, obtain a license for the operation of [~~such~~] the  
25 pipeline. Application for [~~such~~] a license shall be made upon

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1 a form to be provided by the [~~corporation~~] public regulation  
2 commission and shall be accompanied by the license fee  
3 determined as [~~hereinafter~~] provided in this section. On  
4 receipt of [~~such~~] the application and license fee, the  
5 [~~corporation~~] public regulation commission shall issue a  
6 license to the applicant for the current fiscal year. All  
7 license fees [~~so~~] collected shall be paid to the state  
8 treasurer and [~~by him~~] credited to the [~~general~~] utility  
9 oversight fund.

10 SCHEDULE OF ANNUAL LICENSE FEES

11 A. [~~Each~~] A person, firm, association or  
12 corporation transporting natural gas or [~~the~~] natural gas  
13 products [~~derived therefrom~~] by pipeline [~~or pipelines~~] in New  
14 Mexico and operating a pipeline [~~or pipelines~~] and appurtenant  
15 facilities within New Mexico shall pay an annual license fee of  
16 five hundred dollars (\$500) at the time of making the  
17 application required by this section. An additional fee shall  
18 be paid, measured by the aggregate installed rated horsepower  
19 of compression facilities located within New Mexico and  
20 operated by the licensee, in accordance with the following  
21 schedule:

22 (1) not exceeding [~~10,000~~] ten thousand  
23 horsepower, the minimum fee with no additional fee;

24 (2) more than [~~10,000~~] ten thousand horsepower  
25 and not more than [~~30,000~~] thirty thousand horsepower, the

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1 minimum fee plus [~~\$2,275.00~~] two thousand two hundred seventy-  
2 five dollars (\$2,275);

3 (3) more than [~~30,000~~] thirty thousand  
4 horsepower and not more than [~~50,000~~] fifty thousand  
5 horsepower, the minimum fee plus [~~\$4,000.00~~] four thousand  
6 dollars (\$4,000);

7 (4) more than [~~50,000~~] fifty thousand  
8 horsepower and not more than [~~75,000~~] seventy-five thousand  
9 horsepower, the minimum fee plus [~~\$5,000.00~~] five thousand  
10 dollars (\$5,000);

11 (5) more than [~~75,000~~] seventy-five thousand  
12 horsepower and not more than [~~100,000~~] one hundred thousand  
13 horsepower, the minimum fee plus [~~\$5,500.00~~] five thousand five  
14 hundred dollars (\$5,500); and

15 (6) more than [~~100,000~~] one hundred thousand  
16 horsepower, the minimum fee plus [~~\$5,925.00~~] five thousand nine  
17 hundred twenty-five dollars (\$5,925) and plus [\$75.00] seventy-  
18 five dollars (\$75.00) additional for each [~~10,000~~] ten thousand  
19 horsepower or fraction thereof in excess of [~~100,000~~] one  
20 hundred thousand horsepower.

21 B. [~~Each~~] An operator of a pipeline [~~or pipelines~~]  
22 for the transportation of oil or [~~the~~] oil products [~~derived~~  
23 ~~therefrom~~] shall pay [~~the following fees, based on the number~~  
24 ~~of miles of such line operated in New Mexico~~] a basic fee of  
25 five hundred dollars (\$500) [~~and in addition~~] plus fees based

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1 on the number of miles of pipeline operated in New Mexico,  
2 computed in accordance with the following schedule:

3 (1) for all lines up to and including eight  
4 inches in diameter:

5 ~~[\$13.00]~~ (a) thirteen dollars (\$13.00)  
6 per mile for the first ~~[50]~~ fifty miles;

7 ~~[\$ 7.00]~~ (b) seven dollars (\$7.00) per  
8 mile for the next ~~[25]~~ twenty-five miles;

9 ~~[\$ 4.00]~~ (c) four dollars (\$4.00) per  
10 mile for the next ~~[25]~~ twenty-five miles; and

11 ~~[\$ 1.00]~~ (d) one dollar (\$1.00) per mile  
12 for each mile in excess of ~~[100]~~ one hundred miles; and

13 (2) for all lines more than eight inches in  
14 diameter:

15 ~~[\$18.00]~~ (a) eighteen dollars (\$18.00)  
16 per mile for the first ~~[25]~~ twenty-five miles;

17 ~~[\$13.00]~~ (b) thirteen dollars (\$13.00)  
18 per mile for the next ~~[25]~~ twenty-five miles;

19 ~~[\$ 9.00]~~ (c) nine dollars (\$9.00) per  
20 mile for the next ~~[25]~~ twenty-five miles;

21 ~~[\$ 6.00]~~ (d) six dollars (\$6.00) per  
22 mile for the next ~~[25]~~ twenty-five miles; and

23 ~~[\$ 2.00]~~ (e) two dollars (\$2.00) per  
24 mile for each mile in excess of ~~[100]~~ one hundred miles.

25 C. For the purposes of determining the license fees

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1 payable under the provisions of [~~this~~] Subsection B of this  
2 section, any pipeline owned by two or more persons, firms or  
3 corporations shall be considered to be a separate pipeline  
4 operation to be licensed as such in the name of the operator or  
5 owners thereof. The basic fee to be paid in the licensing of  
6 such lines under the [~~foregoing~~] fee schedule provided in  
7 Subsection B of this section shall be:

8 (1) five hundred dollars (\$500) on lines less  
9 than twenty inches in diameter; and

10 (2) eight hundred fifty dollars (\$850) on  
11 lines twenty inches or more in diameter."

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