

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Eisenstadt	DATE TYPED:	02/02/00	HB	
SHORT TITLE:	Telecommunications Infrastructure Fund Act			SB	181
				ANALYST:	Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 10,000.0		\$ 750.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ 10,000.0		Non-Recurring	New

(Parenthesis () Indicate Revenue Decreases)

Relates to SB116 and SB124

SOURCES OF INFORMATION

LFC Files

Public Regulation Commission (PRC)

Office of the Attorney General (AG)

General Services Department (GSD)

SUMMARY

Synopsis of Bill

Senate Bill 181 creates and appropriates \$10,000.0 from the general fund to the "Telecommunications Infrastructure Fund." Municipalities, educational or health care institutions and school districts could apply for funding to the Public Regulation Commission (PRC), who would administer the fund, to address its telecommunication infrastructure needs. The bill outlines criteria for applicants to follow when submitting grant requests to the PRC and criteria for making awards. Senate Bill 181 designates the political subdivision as the owner of any infrastructure improvements. Additionally, the bill allows state agencies to loan its staff to the PRC to assist in administration of the provisions of this bill.

Significant Issues

Though not explicitly stated, Senate Bill 181 is part of a comprehensive legislative package to address telecommunication policy in New Mexico. It relates to Senate Bills 116 and 124 to create councils to make assessments of or develop statewide goals for enhancing New Mexico's telecommunications infrastructure.

Two issues are significant with Senate Bill 181. First, the bill would create "patchwork ownership" of infrastructure. The existing infrastructure is owned by utility and telecommunications companies, who have charged consumers through rates to pay for development and maintenance costs.

Second, the bill would require the PRC to administer the fund. However, the PRC does not have a division to administer this program, and consequently, the agency would require additional resources to carry out the provisions of the bill. Other cabinet agencies such as the General Services Department (GSD) or the Department of Finance Administration's Local Government Division do have the mechanisms in place to adequately administer the program.

FISCAL IMPLICATIONS

Aside from the appropriation made in the bill, Senate Bill 181 would place a considerable fiscal and administrative burden on the PRC. According to the agency, additional resources would be required of almost \$750.0: seven new positions and related operating costs.

MFV/njw