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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 03/02/15

**SPONSOR** Trujillo, CA/Martinez      **LAST UPDATED** \_\_\_\_\_      **HB** HJR 18

**SHORT TITLE** Hybrid Appointed & Elected PRC, CA      **SB** \_\_\_\_\_

**ANALYST** Clark

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

	FY15	FY16	FY17	FY18	4 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>			\$15.2		\$15.2	Nonrecurring	General Fund (SOS Budget)
<b>Total</b>			\$150.0 Nonrecurring	\$560.0 Recurring	\$710.0	See Fiscal Implications	General Fund (PRC Budget)

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of Bill

House Joint Resolution 18 proposes amending the New Mexico constitution to change the Public Regulation Commission (PRC) from a five-member elected commission to a hybrid commission with three members elected and four members appointed by the governor with the advice and consent of the Senate. The three elected members would be elected from each of the state's congressional districts. No more than three of the appointed commissioners may be from a single party. All commissioners would serve staggered four-year terms as provided by law and may serve up to two consecutive terms. Appointed commissioners may be removed only for malfeasance, misfeasance, or neglect of duty.

Commissioners holding office at the time of the adoption of this amendment shall continue in office until the expiration of their terms, and the Legislature shall provide by law for the phasing in of elected and appointed members.

**FISCAL IMPLICATIONS**

Under Section 1-16-13 NMSA 1978 and the New Mexico constitution, the Secretary of State (SOS) is required to print samples of the text of each constitutional amendment, in both Spanish and English, in an amount equal to 10 percent of the registered voters in the state. SOS is also required to publish them once a week for four weeks preceding the election in newspapers in every county in the state. In 2014, SOS estimated the cost per constitutional amendment to be \$15,217. However, if the ballot size is greater than one page, front and back, it would increase the cost of conducting the general election. In addition to the cost of the ballot, there will be added time for processing voters to vote and would mean additional ballot printing systems would be required to avoid having lines at voting convenience centers. The fiscal impact is shown for FY17, because that will be the next general election.

There would also be a negative, recurring fiscal impact to PRC by increasing the number of commissioners, and presumably commissioner assistants, from five of each to seven of each. Additional requirements would add to this impact, including travel, ethics training, vehicles, fuel and maintenance for vehicles, cell phones, land line phones, computers, internet services, and risk rates and IT services for additional staff. Based on the current operating budget, the agency would require an increase in the annual general fund appropriation of approximately \$560 thousand. However, this impact would not occur until the FY18 operating budget due to the timing requirements for a vote on the constitutional amendment and subsequent legislation enacting the provisions of the amendment.

Additionally, the current space in the “PERA” building would need to be modified to add two additional commissioner offices at a cost of approximately \$150 thousand.

**SIGNIFICANT ISSUES**

While the bill creates a hybrid appointed and elected commission, it effectively transitions the commission from an elected body to an executive branch agency since the governor will appoint the majority of the commissioners.

The joint resolution would not affect the agency’s regulatory authority. However, it is possible that with two additional commissioners, the workload on other staff members might be increased to some degree.

JC/je/aml