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FISCAL IMPACT REPORT

SPONSOR Zamora/Garcia, H **LAST UPDATED** _____
ORIGINAL DATE 2/17/2023
SHORT TITLE Local Government Utility Service **BILL**
Restrictions **NUMBER** House Bill 431
ANALYST Dick-Peddie

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Sources of Information

LFC Files

Responses Received From

Public Regulation Commission (PRC)

No Response Received

Department of Finance and Administration (DFA)

Municipal League

Department of Transportation (DOT)

Council of State Governments

New Mexico Counties

SUMMARY

Synopsis of House Bill 431

House Bill 431 prohibits any local government agency (county, municipality, special district, or other political subdivision of the state) from restricting the type of fuel sources used by entities to serve their customers. Entities for purposes of this bill include a public or electric utility; an entity that generates, sells, or transmits electrical energy; a natural gas utility; a natural gas transmission company; or a liquefied petroleum gas dealer.

This prohibition would not apply to electric or gas utilities owned or operated by a government entity, and does not expand or alter the authority of the PRC over utilities.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

FISCAL IMPLICATIONS

The Public Regulation Commission (PRC) states there would be no additional operating impact if the bill were enacted, but does note that the PRC may receive increased consumer complaints regarding the restrictions in the bill. It is difficult to determine the number of complaints or cases that would result from the implementation of the bill.

SIGNIFICANT ISSUES

The PRC notes that while complaints would likely come to the agency, the PRC does not have any authority to enforce or avoid the provisions of this bill.

The municipal league and the New Mexico Counties did not respond to requests for analysis for this bill, but enacting the legislation could significantly reduce local control over utilities.

It is unclear if the provisions of the legislation would hinder the state's ability to reach the requirements of the Energy Transition Act. The Environment Department and the Energy, Minerals and Natural Resources Department have been contacted to provide additional analysis.

ADP/al/ne