

LFC Requester:	Torres
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/28/2025 *Check all that apply:*
Bill Number: SB 98 Original X Correction
 Amendment Substitute

Sponsor: Stefanics **Agency Name and Code:** Municipal League (ML)
Short Title: Prohibit Certain Solar Covenants **Number:** _____
Person Writing: Jacob Rowberry
Phone: 505-992-3538 **Email:** jrowberry@nmml.org

SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Recurring	Municipalities

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 98 broadens the protection on the installation of solar collectors in Section 3-18-32 NMSA 1978 by prohibiting covenants, conditions and restrictions that increase the cost to consumers by more than 10 percent of \$1,500, after the application of any credits or incentives, or reduces the efficiency of the solar collector by more than 10 percent. SB 98 also requires a prevailing party to be awarded attorney fees in any action to enforce compliance within Section 3-18-32.

FISCAL IMPLICATIONS

The fiscal impact to municipalities is indeterminate but municipalities may incur some limited

additional costs to administer the provisions of SB98.

Additionally, municipalities could incur costs related to the payment of attorney fees in instances where municipalities are not the prevailing party in challenges pertaining to enforcement and compliance of the provisions of SB98.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

SB98 infringes on local regulatory decision-making by stipulating the exact percentage increase and total dollar amount prohibited, as well as the efficiency reduction percentage prohibited. Such regulatory decisions should remain at the local level given the significant differences in needs and local approaches across the state regarding solar installations.

The award of attorney fees to the prevailing party in instances of enforcing compliance could also be problematic for municipalities if they are the party required to pay attorney fees in some judgements.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS