

LFC Requester:

Laird Graeser

### AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

#### SECTION I: GENERAL INFORMATION

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

**Date Prepared:** February 17, 2025

*Check all that apply:*

**Bill Number:** SB143

Original  Correction   
Amendment  Substitute

**Sponsor:** Sen. George K. Munoz; Sen. Benny Shendo, Jr.; Sen. Meredith A. Dixon; Sen. Joseph L. Sanchez

**Agency Name and Code Number:** 305 – New Mexico Department of Justice

**Person Writing**

**Analysis:** Victor Hall

**Short Title:** CREATE UTILITY OVERSIGHT FUND

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#### SECTION II: FISCAL IMPACT

##### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

##### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

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

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis: SB143 proposes several significant changes to public utility regulation, including creating a new fund, increasing fees, changing distribution of fees, and providing for enforcement of the fees by the public regulation commission. Specifically, SB143 (with citations to the bill notated in brackets):

- (1) proposes the creation of a “utility oversight fund [**Section 1**],”
- (2) amends statutes related to utilities and pipeline operators to direct funds from fees to the utility oversight fund [**Section 3, 8**]
- (3) allows for the public regulation commission to adjust fees [**Sections 2, 4, 6**],
- (4) directs penalties from violations contemplated in NMSA 1978, Section 62-14-8 to the “current school fund [**Section 5**],”
- (5) increases utility fees to five hundred ninety thousandths percent of gross receipts [**Sections 2, 6**],
- (6) sets the fee payment for April 30 rather than April 1 [**Section 2, 6**],
- (7) clarifies that pipeline operators are to pay to the public regulation commission pursuant to NMSA 1978, Section 70-3-2 [**Section 8**],
- (8) amends typographical errors [**Section 8**], and
- (9) divests the attorney general of the power to bring suit to collect utility fees, simultaneously vesting the public regulation commission with the power to bring suit and collect utility fees, interest, and penalties unpaid [**Section 3, 6**].

**Amendment:** The Tax, Business, and Transportation amendment to SB143 proposes the following:

- (1) The “utility oversight fund” no longer consists of fees collected pursuant to NMSA 1978, Sections 62-8-8 (inspection and supervisions fees), 62-8-9 (fees collected under the provisions of the Public Utility Act and Section 62-13-2), and 63-7-30 (utility inspection fees).
- (2) All fees collected under the provision of the Public Utility Act, including fees provided for in Section 62-13-2 and fees and charges for inspection and supervision, for stenographic services, and for transcripts of evidence are no longer credited to the utility oversight fund.
- (3) Funds collected under NMSA 1978, Section 63-7-20 are no longer credited to the utility oversight fund.

**(4) License fees collected are to be credited to the general fund, not to the utility oversight fund.**

**In sum, the above amendment generally amends SB143 so that the utility oversight fund no longer receives or receives credits for inspection and supervision fees, fees collected pursuant to the Public Utility Act, fees collected pursuant to Section 62-13-2, and utility inspection fees collected pursuant to Section 63-7-30. Aside from this change, there are no other amendments to SB143.**

## **FISCAL IMPLICATIONS**

N/A

## **SIGNIFICANT ISSUES**

SB143 allows for the public regulation commission to adjust fees. This power granted to the public regulation commission allows them to increase fees set in statute, “the fees established pursuant to this section,” either (1) yearly, provided that the increase shall not be greater than the prior year’s increase in the employment cost index for state as local governments as published by the federal bureau of labor statistics [*See Section 2*]; or (2) by administrative rule [*see Section 4*]. These provisions imply potential administrative action that could exceed the statutory provision.

## **PERFORMANCE IMPLICATIONS**

As proposed this bill would remove a performance required by NMDOJ.

## **ADMINISTRATIVE IMPLICATIONS**

None.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### Conflict

None

### Duplication

None

### Companionship

None

### Relationship

HB13 – Distribution System and Electrification Plans

HB91 – Public Utility Rate Structures

HB93 – Advanced Grid Technology Plans

SB142- Grid Modernization Roadmap

## **TECHNICAL ISSUES**

None noted.

## **OTHER SUBSTANTIVE ISSUES**

None noted.

## **ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

**AMENDMENTS**

None.