

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Cisneros DATE TYPED 2/07/05 HB _____

SHORT TITLE Customer Utility Deposit Interest Rates SB 178

ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			NFI		

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 178 amends language in Section 62-13-13 NMSA to clarify the interest rate to be used in the calculation of interest on customer security deposits required and held by utilities.

The current language, “at a minimum rate a year...equal to the federal five-year treasury note rate” raised confusion because it would allow the PRC to set a higher rate.

The amended language removes the “at a minimum rate a year” and clearly specifies the use of the federal five-year treasury note rate.

Significant Issues

The PRC believes this bill will clarify a confusing issue.

DWA/sb