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FISCAL IMPACT REPORT

ORIGINAL DATE 2/05/06

SPONSOR Lujan, B. LAST UPDATED _____ HB 817a/HCPAC/aSPAC

SHORT TITLE Prohibit Discontinuation of Utilities SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

HB 817 relates to House Bills 335 and HB 823.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

Human Services Department (HSD)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment nullifies the prohibition on utility discontinuation in any year that the State does not provide money for the Low-Income Home Energy Hearting Assistance Program (LIHEAP) “in an amount at least equal to funds received from the federal” program. New Mexico receives about \$10 million per year from the federal government in LIHEAP funds.

Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment to the House Bill 817 removes the specification that utility companies provide Low-income Home Energy Assistance Program (LIHEAP) application forms “at billing offices”. By striking this phrase the amendment should broaden the availability of the application forms.

Synopsis of Original Bill

House Bill 817 prohibits natural gas and electric utilities from disconnecting low-income residential consumers for non-payment in the winter heating months if the customer has been approved to receive assistance from the Low-income Home Energy Assistance Program (LIHEAP). It also directs utilities to assist customers in applying for LIHEAP assistance. HB 817 amends Laws 2005, Chapter 2, Section 2, enacted by HB 8 of the 2005 special session, which prohibits the discontinuance or disconnection of utility service during the winter heating season.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

According to HSD, HB 871 clarifies current statute by the following:

- “Utility Company” in the current statute is too vague, and utility cooperatives, municipalities etc, were unsure if the moratorium applied to them. The proposed term “utility” is more general.
- “Meets the qualifications” is too difficult to determine both for HSD and utility companies. Although HSD developed a tool to assist utility companies to evaluate Low-Income Home Energy Assistance Program (LIHEAP) eligibility, companies were reluctant to use it because they were not staffed to provide eligibility type services. Because of this, disconnection reports were extensive and did not differentiate those that were low income from others. The new language allows for only those who receive LIHEAP to be subject to the disconnect moratorium. The new language also allows customers additional time to apply for LIHEAP without being disconnected.
- Utility companies reporting of customer need has been problematic since customer information without a signed release is protected.
- The new language allows for customers to make informed choices about their potential eligibility for LIHEAP.
- Prior language referred to HSD as the sole administrator of LIHEAP; however, 5 tribal entities administer their own LIHEAP program so it is appropriate to refer to the LIHEAP administering entity rather than HSD solely.

ADMINISTRATIVE IMPLICATIONS

HSD reports that HB 817, if enacted, will reduce the necessary staff time for managing utility provider lists. The staff time saved can be better spent processing LIHEAP applications.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 817 relates to HB 335 and HB 823.

BE/nt:yr