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FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/09
LAST UPDATED 03/19/09 **HB** _____

SPONSOR McSorley

SHORT TITLE Clarifying Low Income Utility Assistance Act **SB** 71/aSCORC/aHHGAC

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 Public Regulation Commission (PRC)
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of HHGAC Amendment

The House Health and Government Affairs Committee amendment strikes SCORC amendments 1 and 2 and changes the title of the bill.

The amendment includes a new Section 1 to reference the appropriate statute. The amendment also replaces the definition of utility to include a “distribution cooperative utility” instead of a “cooperatively owned utility.”

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee Amendment changes the definition of utility to include a municipally or cooperatively operated utility as well as an owned utility and removes fuels for heating other than gas from the bill. The amendment also changes from permissive to mandatory the designated department’s authority to administer the Act.

Synopsis of Original Bill

Senate Bill 71 amends the Low Income Utility Assistance Act to redefine “utility” to include publicly, privately, municipally or cooperatively owned utility for the rendition of electric power, gas and other fuels for heating.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

The bill would add municipally owned electric and natural gas utilities to the definition of a utility under the Public Utility Act. In addition, the bill expands the definition to include “other fuels for heating.” Broadening the definition could make gas associations, as well as providers of propane and wood, subject to all the provisions of Low Income Utility Act (LIUA).

Specifically, the bill would subject these utilities to requirements of the act, including adherence to the moratorium against disconnection from November 15th to March 15th. HSD notes that, currently, municipally owned utilities are not specifically included in the act. Although the Act is currently silent on the definition of “Utility”, the Human Services Department adopted the Public Regulation Commission (PRC) definition of Utility which does not include municipally owned utilities; however, cooperatively owned utilities are somewhat regulated by the PRC. SB71 would expand the number of low income households that would not be subject to disconnection during the winter disconnect moratorium for utility customers receiving service from a municipally owned utility.

PRC notes that it has oversight of public utilities, while municipally owned utilities are subject to their local governments. This bill would assure that all utilities are in compliance with LIUA. It is uncertain how the provisions of LIUA would be enforced on propane providers or sellers of wood for heating.

BE:GH/mt:svb