

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** Lovejoy **ORIGINAL DATE** 2/13/09 **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_  
**SHORT TITLE** To'hajilee Chapter Solar Energy Production **SB** 544  
**ANALYST** Burns

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$175.0	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Indian Affairs Department (IAD)

Energy Minerals and Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 544 appropriates \$175 thousand from the general fund to the Indian affairs department for the purpose of conducting a feasibility study for solar energy production at the To'hajilee chapter of the Navajo Nation in Bernalillo county.

### FISCAL IMPLICATIONS

The appropriation of \$175 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

**SIGNIFICANT ISSUES**

According to IAD, To'hajiilee Chapter officials indicated they were not involved in the development of this bill.

SB544 would support a feasibility study that could provide important information for taking the next step towards design and construction for solar energy production. Feasibility studies are the first step in the development of clean, renewable solar energy in New Mexico. The remoteness of many tribal communities in New Mexico makes it difficult to run power lines and build a utility infrastructure to provide services. Tribes, with the support of federal government initiatives are increasingly looking at alternative energies to bring electricity to these remote regions.

**PERFORMANCE IMPLICATIONS**

SB544 could potentially support EMNRD's mission to increase production of clean, renewable solar energy in New Mexico.

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

The To'hajiilee Chapter of the Navajo Nation would not receive funding for a feasibility study for solar energy production on their reservation.

**POSSIBLE QUESTIONS**

KJB/mc