F I S C A L   I M P A C T   R E P O R T

SPONSOR	Keller and Egolf	**ORIGINAL DATE** 01/25/12 **LAST UPDATED**	**HB**	
SHORT TITLE	Public Regulation Commission Members, CA		**SJR**	2
		ANALYST	Wilson	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	**FY13**	**FY14**	**3 Year Total Cost**	**Recurring or Nonrecurring**	**Fund Affected**
Total		$104.0				

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HJR 11, HJR 13, HJR 14, HJR 16 & HJR 17

SOURCES OF INFORMATION
LFC Files

Responses Received From
Public Regulation Commission (PRC)
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

Senate Joint Resolution 2 proposes to amend article 11, section 1 of the constitution of New Mexico to establish the terms and qualifications of an appointed Public Regulation Commission.

The PRC shall consist of five commissioners appointed by the governor for five-year staggered terms. The legislature shall provide by law for a nominating committee to evaluate applications of qualified individuals to serve on the PRC and to make recommendations to the governor. The governor shall select an appointment from the list of names provided to the governor by the nominating committee. Commissioners shall be appointed from public regulation districts as provided by law.

 A person shall not be qualified to hold the office of PRC commissioner unless that person has a baccalaureate or more advanced degree from a regionally accredited post-secondary educational institution or has at least five years of relevant professional experience as determined by law.

 After serving one full term, a commissioner shall be ineligible to hold the office of public regulation commissioner until one full term has intervened.

Commissioners shall not be removed except for incompetence, neglect of duty or malfeasance in office.

A prospective commissioner shall not have lobbied or otherwise represented any person or entity regulated by the PRC for three years prior to submission of the prospective commissioner's application for the PRC. A commissioner shall not lobby or otherwise represent any person or entity regulated by the PRC for three years following the commissioner's leaving office.

The appointment process and increased qualifications provided by this 2012 amendment shall not apply to commissioners who were elected to their office in the general election of 2010 or 2012. Commissioners elected to their office in the general election of 2010 or 2012 will serve the remainder of the term for which they were elected.

The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date that may be called for that purpose.

FISCAL IMPLICATIONS

The SOS reports that in accordance with Section 1-16-4 NMSA 1978, upon receipt of the certified proposed constitutional amendment or other question from the Secretary of State, the county clerk shall include it in the proclamation to be issued and shall publish the full text of each proposed Constitutional amendment or other question in accordance with the constitution of New Mexico.

Although the county clerk includes the proposed amendments in the clerk's proclamation, it is the responsibility of the State to pay for the costs associated with the publication per Section 1-16-13 NMSA 1978, including printing samples of the text of each constitutional amendment in both Spanish and English in an amount equal to ten percent of the registered voters of the state. There are currently 1.7 million registered voters in the state. Voters whose election mail is returned as undeliverable will be sent the proper notice under federal law in 2012, and if they do not vote in the next two federal elections, may be purged in 2015. Under these timelines, the voter roll is expected to increase until the purge in 2015.

The SOS reports that in 2010, the publication cost was $520,000 for 5 constitutional amendments, or approximately $104,000 per amendment. Although the SOS is continually seeking ways to reduce publication costs, it believes the 2010 figure is a reasonable projection for 2012 costs, given the increasing number of voter registrations.

SIGNIFICANT ISSUES

The Attorney General currently is the only other executive branch elected official who must meet certain educational requirements.

There are currently five PRC commissioners who are elected from five districts that cover the state. They have the responsibilities for regulating:
- business corporations;
- public utilities, including electric, gas and water companies;
- transportation companies, including common and contract companies;

- transmission and pipeline companies, including telephone, telegraph and information transmission; and
- insurance companies and others engaged in risk assumptions.

The Fire Marshal is also under the direction of the PRC commissioners.

It is unlikely that any one commissioner will have expertise in all areas.

The PRC provided the following:
1. Potential number of candidates who qualify for the office of PRC commissioner will be reduced due to these minimal qualifications.

2. Only experienced or educated candidates will be eligible to be on the PRC.

RELATIONSHIP

SJR 2 relates to:
- HJR 11, PRC Commissioner Qualifications, CA
- HJR 13, Elected Insurance Superintendent, CA
- HJR 14, PRC Appointment & Retention, CA
- HJR 16, PRC Corporations from PRC to Sec. of State, CA
- HJR 17, PRC Appointed Insurance Superintendent, CA

DW/svb