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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/2013

SPONSOR Bandy/Keller LAST UPDATED \_\_\_\_\_ HB 89

SHORT TITLE PRC Qualifications SB \_\_\_\_\_

ANALYST Clark

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Companion to SB 8

Relates to and conflicts with HB 47, which also sets increased qualifications for an elected or appointed Public Regulation Commissioner but requires either a college degree or work experience rather than requiring both as HB 89 does. Additionally, HB 47 specifies the documentation required to ensure that a candidate is qualified and requires continuing education for all commissioners. HB 47 also grandfathers in current commissioners and allows them to run for reelection even if they do not meet the educational and work experience requirements.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Regulation Commission (PRC)

#### Other Responses

Think New Mexico

### SUMMARY

#### Synopsis of Bill

Senate Bill 8 requires to be elected or appointed as a commissioner, a person must have a baccalaureate or more advanced degree from an accredited institution that requires face-to-face contact between its students and instructors, and the person must have at least seven years of work experience in one or more of the following:

- an area regulated by the commission;
- engineering;

- finance, economics, and statistics;
- law;
- accounting; or
- consumer protection and advocacy.

## **SIGNIFICANT ISSUES**

This bill implements the requirement of the New Mexico constitutional amendment approved in 2012 to increase the qualifications of PRC commissioners. The amendment was approved by over 535 thousand New Mexico voters -- a higher number that have ever voted in favor of a New Mexico constitutional amendment.

There are 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.

## **TECHNICAL ISSUES**

The bill cleans up language relating to the commission, replacing references to “chairman” with “chair.”

## **OTHER SUBSTANTIVE ISSUES**

The PRC did not take action on this legislation but voted unanimously to support related HB 47.

Think New Mexico provided the following for the legislature to consider when legislating increased educational and professional qualifications:

The New Mexico constitution establishes educational and professional qualifications for elected offices including the Attorney General, Supreme Court justices, appellate judges, and district court judges. Similar to these elected officials, PRC commissioners perform quasi-judicial duties. Among other legal duties, PRC commissioners are required to follow the rules of evidence in their hearings, avoid ex parte communications, and make their rulings by applying the relevant law to the evidence in the record.

## **POSSIBLE QUESTIONS**

Which agency will be responsible for checking the qualifications of candidates for the PRC?

JC/bm