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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/13
 SPONSOR SPAC LAST UPDATED 03/13/13 HB _____
 SHORT TITLE Suspension of Utilities for Deployed Military SB CS/574/aHCPAC
 ANALYST Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Senate Bill 574 is a duplicate of House Bill 175

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Military Affairs (DMA)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment to Senate Bill 574, in numerous instances, adds the word “county” allowing deployed military service members to suspend county services in addition to municipal services.

Synopsis of Original Bill

The Senate Public Affairs Committee substitute for Senate Bill 574 allows a member of the U.S. armed forces to suspend some or all municipal services, public utilities or telecommunications services whose rates are regulated by the municipality or the NM Public Regulation Commission and reconnect those services without having to pay a reconnect fee. The resident must certify that they have orders to deploy, service is in the resident’s name, the resident owns the home or has a lease, and other family members will not be staying in the home while the resident is deployed or temporarily assigned. The service member must be deployed or on temporary duty assignment outside the resident’s community for more than thirty days.

SIGNIFICANT ISSUES

The PRC raised the following issues:

Senate Bill 574 may result in a rate increase to other ratepayers or customers of the municipal service provider, cable provider, and public utility or telecommunication providers and may incur costs that have to be recovered from other ratepayers. It is clear that the utilities and other providers will continue to incur disconnection and reconnection costs that will not be recovered from the U.S. armed forces member who is deployed. Those costs will be passed on to other ratepayers from whatever utility provider that is required to exempt the armed services member who is deployed. These costs could be high in areas that have military installations as a significant part of their community.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Deployed resident will continue having to pay a reconnect or disconnect fee when he or she is deployed or on temporary duty outside the resident's community.

EC/blm