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FISCAL IMPACT REPORT

SPONSOR Soules ORIGINAL DATE 02/27/17
LAST UPDATED 03/13/17 HB _____
SHORT TITLE Study Carbon Fee and Dividend Legislation SM 75/aSRC
ANALYST Sánchez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of SRC Amendment

Senate Rules Committee amendment to Senate Memorial 75 strikes “appropriate” from the description of the interim legislative committee and inserts “that studies water and natural resources” when describing the interim legislative committee responsible for carrying out the provisions of the memorial.

Synopsis of Bill

Senate Memorial 75 asks the appropriate legislative interim committee (of the New Mexico Legislative Council) to study carbon fee and dividend proposals and that the senate support carbon fee and dividend legislation.

SIGNIFICANT ISSUES

In 2013, the Citizens’ Climate Education Corporation commissioned Regional Economic Models, Inc. to study the effects of a revenue-neutral carbon price on the American economy. It analysis concluded that, during the first 20 years alone, a carbon fee and dividend policy would lead to:

- A 50% reduction of carbon emissions below 1990 levels;
- The addition of 2.8 million jobs above baseline, driven by the steady economic stimulus of the energy dividend; and

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- The avoidance of 230,000 premature deaths due to reduction in air pollutants that often accompany carbon emissions.

A May 2013 study by the Congressional Budget Office found that a \$20 per ton carbon fee would result in an 8% reduction in national emissions.

The legislature has 26 interim committees of which three have permanent year-round staff. The study proposed in the memorial would be staffed by the permanent staff of the Legislative Council Service (LCS). One of those 26 interim committees is the water and natural resources committee.

The financial audit for LCS, posted on the Office of the State Auditor website, shows a general fund reversion of \$668.4 thousand for fiscal year 2016.

ABS/jle/al

