

LFC Requester:	Austin Davidson
-----------------------	------------------------

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 01/27/2025 *Check all that apply:*
Bill Number: SB 98 Original Correction
 Amendment Substitute

Sponsor: Sen. Stefanics & Rep. Garratt **Agency Name and Code:** 430 – Public Regulation Commission
Short Title: Prohibit Certain Solar Covenants **Number:** _____
Person Writing: Scott Cameron
Phone: (505)490-2696 **Email:** jerri.mares@prc.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB 98 would amend existing statute to prohibit covenants that increase the cost of purchasing and installing a solar collector.

More specifically, SB 98 would add covenants that increase consumer costs by more than 10% or \$1,500 or reduces the efficiency of a solar collector by more than 10% (after any applicable credits or incentives) to the existing prohibition on covenants that affect the transfer, sale or use of, or an interest in real property that acts as a prohibition on, the installation or use of a solar collector.

SB 98 would also add a new section that allows a prevailing party in an enforcement action to collect reasonable attorney fees. This new section would apply to the new prohibition as well as the existing prohibition.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

SB 98 could result in more residential solar installations, assuming some may not be occurring due to covenants that are cost-prohibitive to consumers. The Bill would set a standard for what “cost-prohibitive” means. Adding an attorney’s fee provision would aid in enforcement, as it would likely have a deterrent effect on potential violators.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

None