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FISCAL IMPACT REPORT

SPONSOR:	Coll	DATE TYPED:	02/09/00	HB	220
SHORT TITLE:	Prepaid Telephone Cards			SB	
				ANALYST:	Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	NFI		NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

LFC Files

Public Regulation Commission (PRC)

Office of the Attorney General (AG)

SUMMARY

Synopsis of Bill

House Bill 220 limits prepaid telephone card providers from imposing "hidden" taxes, fees, or other charges, except for those items allowed by state or federal law, and disallows "rounding" of minutes used to the next nearest minute from cards sold within New Mexico. The bill stipulates that violations of these provisions would be sanctioned under criminal law (a misdemeanor) with each telephone card being a violation.

Significant Issues

The bill intends to solve the problem of additional charges being placed on phone usage through prepaid phone cards and from these providers rounding usage, often without the customer's knowledge. According to the Office of the Attorney General (AG) however, the bill does allow providers to seek approval for these fees by the Federal Communications Commission (FCC) or the Public Regulation Commission (PRC). When phone companies file tariff applications with the FCC or PRC, the companies, according to the AG, often list extra fees and charges, which, if approved, become the legally accepted fee structure.

FISCAL IMPLICATIONS

House Bill 220 does not contain an appropriation and would not have an administrative or fiscal impact on the PRC.

MV/sb