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FISCAL IMPACT REPORT



SPONSOR: Herrera DATE TYPED: 02/11/02 HB HM-8/aHFL #1

SHORT TITLE: Regulatory-Caused Loss of Production Hearings SB _____

ANALYST: Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Economic Development Department (EDD)
Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of HFL Amendment

House Floor Amendment #1 to House Memorial 8 clarifies that the requested hearings will also cover the benefits, not just losses, due to enacted federal and state regulations.

Synopsis of Original Bill

House Memorial 8 requests the appropriate interim committee of the Legislative Council Service to conduct hearings regarding enacted federal and state regulations that have caused a loss in production capacity for New Mexico businesses.

Significant Issues

The memorial indicates that the U.S. Supreme Court has declared investment-backed expectations as property due compensation under the fifth and fourteenth amendments of the U.S. Constitution. Because productive capacity is classified as an investment-backed expectation, it is therefore also considered private property. Both the United States and New Mexico Constitutions require compensation for property taken for public purposes.

The Energy, Minerals and Natural Resources Departments indicates concern that the activities of their department could be impacted if governmental regulation of activities that benefit the public health, safety and welfare were considered “takings” of property. However, the memorial merely requests interim legislative committees to hold hearings on the subject.

FISCAL IMPLICATIONS

The memorial does not contain an appropriation or significant fiscal implication.

MW/njw