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FISCAL IMPACT REPORT

ORIGINAL DATE 2/08/06

SPONSOR Miera LAST UPDATED _____ HB 696

SHORT TITLE Alternative Energy Community Ownership Model SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$75.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

House Bill 696 relates to Senate Bill 635.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Department of Environment (DE)

SUMMARY

Synopsis of Bill

House Bill 696 appropriates \$75 thousand from the general fund to the Economic Development Department to contract with a non-profit corporation with at least fifteen years of experience with the “Mondragon cooperative system” and emphasizing alternative energy development.

FISCAL IMPLICATIONS

The appropriation of \$75 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year shall revert to the general fund.

SIGNIFICANT ISSUES

EDD indicates it doesn't have experience in administering a contract of this type. The number of Community Development Corporations with extensive experience in the "Mondragon Cooperative Systems" model might be very limited.

ADMINISTRATIVE IMPLICATIONS

EDD staff will be required to administer the contractual agreement with the nonprofit corporation. The staff member administering the contract will need basic working knowledge of the corporation's function, as well as a basic working knowledge of the "Mondragon Cooperative Systems" model, to ensure that legislative intent is met.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 696 relates to Senate Bill 635, which specifies Santa Fe and Bernalillo counties.

OTHER SUBSTANTIVE ISSUES

The Department of Environment notes that HB 696 could promote economic development and alternative energy sources in the State. The bill doesn't define what alternative energy sources are, although it is likely to mean renewable sources, such as wind, solar and biomass power sources. The promotion of renewable energy sources could delay or obviate the need for the construction of new dirtier sources of power, such as conventional coal-fired power plants. The State's coal-fired power plants are major sources of air pollution, such as oxides of nitrogen, sulfur dioxide, particulates, mercury and carbon dioxide. These air pollutants adversely impact public health, visibility, and the global climate.

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