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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/07
 LAST UPDATED 2/15/07

SPONSOR HHGAC HB CS/75/SF1

SHORT TITLE GSD Telecommunication Service Authority SB _____

ANALYST Propst

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total				Unknown	Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 351

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department-Communications Division (GSD)

SUMMARY

Synopsis of SFI Amendment

The Senate Floor Amendment makes an editorial correction that eliminates redundancy in the bill.

Synopsis of Original Bill

GSD reports that HB 75 clarifies that the authority of the Communications Division (CD) of GSD is limited to providing telecommunications services (telephone, data and broadband) to those entities authorized in Section 15-5-1 NMSA 1978, and that such authorization does not extend to any political subdivisions of the state, except as necessary to facilitate state mandated programs (e.g. distance education, telehealth or school-based health center programs). It would require GSD to prepare an agency plan before expanding or upgrading a state telecommunications network (voice, data or video) that includes an assessment of the potential impact on local telecommunications service providers and rate payers. Also, GSD would be required to conduct an assessment of the impact on local telecommunications service providers as part of any proposed lease of excess radio communications network capacity and. The phrase “executive, legislative, judicial, institutional and other state governmental offices” contained in Section 15-5-1 NMSA 1978 is otherwise defined to exclude from CD’s jurisdiction any

municipality, county, school district or two-year public post-secondary educational institutions.

SIGNIFICANT ISSUES

HB 75 defines “executive, legislative, judicial, institutional and other state governmental offices” to mean any of the “branches, agencies, departments, institutions or boards of the state of New Mexico” but not to include “a municipality, county, school district or two-year public post-secondary educational institution.” HB 75 would allow GSD to provide services to “branches, agencies, department, institutions or boards of the state of New Mexico.”

HB 75 requires that GSD report to the Legislative Finance Committee on the use of excess capacity being leased and an assessment of how the lease will affect public sector uses “and local telecommunications service providers.”

GSD reports that HB 75 clarifies the jurisdictional reach of the Communications Division of the General Services Department and provides various safeguards for local telecommunication companies. To the extent the bill requires CD to prepare an agency plan before expanding or upgrading a state telecommunications network (voice, data or video), including an assessment of the potential impact on local telecommunications service providers and rate payers, the rates that telecommunication service providers charge consumers are regulated by the New Mexico Public Regulation Commission (PRC). Those rates involve complex formulas of overall earnings compared to operating expenses and other industry factors. The necessary information to perform the assessment may not all be available to GSD and GSD may have to project the potential impact on regulated entities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 959 and SB 979 (duplicate bills) create the Department of Information Technology (DOIT), which would, among other things, combine CD and the Information Systems Division of GSD with the Office of the Chief Information Officer (OCIO), along with the Information Technology Commission (ITC). HB 959 / SB 979 contain some of the same provisions as c/s HB 75 and c/s SB 351.

WEP/nt:csd