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FISCAL IMPACT REPORT

SPONSOR Akhil/Sariñana/ Sanchez **ORIGINAL DATE** 2/06/19
LAST UPDATED 3/14/19 **HB** 440/aHFI#1/aSCONC
SHORT TITLE Solar Energy Improvement Assessments **SB** _____
ANALYST Gaussoin

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total				NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bills, 210, 221, and 432 and Senate Bills 39, 51, 281, and 468.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

No Responses Received

Association of Counties

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to House Bill 440 clarifies an incorporated municipality must adopt an ordinance – not a resolution as in the original language of the bill – for the proposal to be effective within a municipality.

Synopsis of HFI #1 Amendment

The House Floor Amendment removes “residential or” from page two. Residential properties may *not* have the Solar Energy Improvement Special Assessment Act be applied.

Synopsis of Original Bill

House Bill 440 allows for residents¹ in municipalities to take advantage of the county solar energy improvement special assessment, which provides for counties to pay the up-front cost of renewable energy systems for individuals and be paid back through property tax assessment, if the municipality adopts a resolution allowing it. The bill also allows the county to contract with a third party for help planning and administering the special assessment.

SIGNIFICANT ISSUES

EMNRD reports lawmakers passed two bills in 2009 – House Bill 572 creating the Solar Energy Improvement Special Assessment Act and Senate Bill 647 creating the Renewable Energy Financing District Act – allowing county and municipal governments to provide residents with up-front capital for renewable energy systems and provides for the residents to repay the county or municipality through a special assessment on their property taxes.

EMNRD argues HB440 will improve on the 2009 legislation by creating a better framework for counties and cities to work together on solar energy special assessments. Allowing counties to contract with a third party for the administration of the program will relieve counties of the burden of providing those services with existing resources, according to EMNRD.

ADMINISTRATIVE IMPLICATIONS

EMNRD suggests the bill would relieve county governments of some administrative burdens.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 210 and Senate Bill 281 create a Community Solar Act allowing residents to obtain energy from shared community solar projects, sometimes called solar gardens.

House Bill 221 creates a one-time income tax credit for home improvements that increase energy efficiency by at least 20 percent.

House Bill 432 allows utilities to finance customer renewable energy improvements and collect repayments on the customer’s utility bill.

Senate Bill 39 creates a personal income tax credit of 10 percent of the cost of equipment and installation of residential or business solar energy system.

Senate Bill 51 requiring the General Services Department to adopt rules and a process for acquiring renewable energy services for state facilities.

Senate Bill 468 requires new energy generation facilities to only generate “clean energy.”

HFG/sb

¹ If the property is commercial.