

## AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
**[AgencyAnalysis.nmlegis.gov](mailto:AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**  
*(Analysis must be uploaded as a PDF)*

### **SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** January 22, 2026 **Check all that apply:**  
**Bill Number:** HM 6  **Original**  **Correction**   
 **Amendment**  **Substitute**

**Sponsor:** Rep. Roybal Caballero  
**Short Title:** Private Equity Infrastructure Ownership

**Agency Name and Code Number:** 430 – Public Regulation Commission  
**Person Writing** Jerri Mares  
**Phone:** (505)490-2696 **Email** jerri.mares@prc.nm.gov

### **SECTION II: FISCAL IMPACT**

#### **APPROPRIATION (dollars in thousands)**

<b>Appropriation</b>		<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>		

#### **REVENUE (dollars in thousands)**

<b>Estimated Revenue</b>			<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>	<b>FY28</b>		

(Parenthesis ( ) indicate revenue decreases)

#### **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>					

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: See Significant Issues

### **FISCAL IMPLICATIONS**

N/A

### **SIGNIFICANT ISSUES**

HM 6 requests that the Legislative Finance Committee work with a variety of state agencies, including the Public Regulation Commission (“PRC”) to conduct a comprehensive study of private equity ownership and control of essential utilities and other critical infrastructure in New Mexico. The study is specifically requested to examine, among other issues, “whether and under what conditions the state should limit, condition or prohibit the acquisition of controlling interests in essential services by private equity entities” (p. 6), as well as provide “findings and recommendations” to the Legislature (p. 7) by December 1, 2026. However, for the PRC, participation in the study requested by HM 6 creates a direct conflict with the agency’s central responsibility to serve as an adjudicatory body with respect to public utility matters.

Unlike the other agencies identified by HM 6 as requested participants in the study, the PRC is, by statute, an adjudicatory body required to preside over and issue rulings upon contested proceedings involving the state’s utilities. This takes place through a trial-type process where a variety of parties representing diverse stakeholders (such as the utilities themselves, affected consumer interests, environmental groups, and the public interest generally) file testimony and make legal arguments urging the Commission to rule in their favor. These cases before the Commission can (and, today, actually do, in two heavily contested cases) involve the same question identified by HM 6: private equity ownership of public utilities.

In adjudicating utility cases, basic constitutional due process concerns require the Commission to not only remain impartial, but also maintain the appearance of impartiality. *See Reid v. New Mexico Board of Examiners in Optometry*, 1979-NMSC-005, ¶ 8, 92 N.M. 414 (“The inquiry is not whether the Board members are actually biased or prejudiced, but whether, in the natural course of events, there is an indication of a possible temptation to an average man sitting as a judge to try the case with bias for or against any issue presented to him.”). Here, if the PRC were to participate in a legislatively directed study providing “recommendations” as to the propriety or ideal extent of private equity ownership of utilities, this would clearly risk an appearance that the PRC itself has already prejudged these issues before parties had a chance to adjudicate them. Were private equity companies – or, indeed, other advocates – to then appear before the PRC and advocate for policy outcomes contrary to the recommendations formulated by the study, the PRC’s role as an impartial adjudicator would be compromised, and its decisions subject to constitutional challenges.

For these reasons, direct involvement by the PRC in a legislative study group culminating in recommendations on private equity ownership of essential utilities would be incompatible with the Commission’s statutory role and constitutional obligations.

### **PERFORMANCE IMPLICATIONS**

N/A

**ADMINISTRATIVE IMPLICATIONS**

N/A

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

N/A

**ALTERNATIVES**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo

**AMENDMENTS**

N/A