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FISCAL IMPACT REPORT

SPONSOR HVEC **ORIGINAL DATE** 01/22/12
LAST UPDATED 01/27/12 **HJR** 11/HVECS
SHORT TITLE PRC Commissioner Qualifications, CA **SB** _____
ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$104.0			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

*Relates to HJR 13, HJR 14, HJR 16, HJR 17 & SJR 2

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

Other Resources

SUMMARY

Synopsis of Bill

The House Voters and Elections Committee substitute for House Joint Resolution 11 proposes an amendment to article 11, section 1 of the constitution of New Mexico to increase the qualifications for PRC commissioners.

The Legislature shall provide by law, increased educational and professional qualifications and continuing education requirements for PRC commissioners.

The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date that may be called for that purpose.

FISCAL IMPLICATIONS

The SOS reports that in accordance with Section 1-16-4 NMSA 1978, upon receipt of the certified proposed constitutional amendment or other question from the Secretary of State, the county clerk shall include it in the proclamation to be issued and shall publish the full text of

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each proposed Constitutional amendment or other question in accordance with the constitution of New Mexico.

Although the county clerk includes the proposed amendments in the clerk's proclamation, it is the responsibility of the State to pay for the costs associated with the publication per Section 1-16-13 NMSA 1978, including printing samples of the text of each constitutional amendment in both Spanish and English in an amount equal to ten percent of the registered voters of the state. There are currently 1.7 million registered voters in the state. Voters whose election mail is returned as undeliverable will be sent the proper notice under federal law in 2012, and if they do not vote in the next two federal elections, may be purged in 2015. Under these timelines, the voter roll is expected to increase until the purge in 2015.

The SOS reports that in 2010, the publication cost was \$520,000 for 5 constitutional amendments, or approximately \$104,000 per amendment. Although the SOS is continually seeking ways to reduce publication costs, it believes the 2010 figure is a reasonable projection for 2012 costs, given the increasing number of voter registrations.

SIGNIFICANT ISSUES

The Attorney General is the only other executive branch elected official who must meet certain educational requirements currently.

There are currently five PRC commissioners who are elected from five districts that cover the state. They have the responsibilities for regulating:

- business corporations;
- public utilities, including electric, gas and water companies;
- transportation companies, including common and contract companies;
- transmission and pipeline companies, including telephone, telegraph and information transmission; and
- insurance companies and others engaged in risk assumptions.

The Fire Marshal is also under the direction of the PRC commissioners.

It is unlikely that any one commissioner will have expertise in all areas.

The PRC provided the following:

1. Potential number of candidates who qualify to run for the office of PRC commissioner will be reduced due to these minimal qualifications.
2. Only experienced and/or educated candidates will be eligible to run for the PRC.

RELATIONSHIP

HJR 11 relates to:

HJR 13, Elected Insurance Superintendent, CA

HJR 14, PRC Appointment & Retention, CA

HJR 16, PRC Corporations from PRC to Sec. of State, CA

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HJR 17, PRC Appointed Insurance Superintendent, CA
SJR 2, Public Regulation Commission, CA

OTHER SUBSTANTIVE ISSUES

Think New Mexico provided the following for the legislature to consider when legislating increased educational and professional qualifications:

The New Mexico constitution establishes educational and professional qualifications for elected offices including the Attorney General, Supreme Court justices, appellate judges and district court judges. Similar to these elected officials, PRC commissioners perform quasi-judicial duties. Among other legal duties, PRC commissioners are required to follow the rules of evidence in their hearings, avoid ex parte communications, and make their rulings by applying the relevant law to the evidence in the record.

POSSIBLE QUESTIONS

Which agency will be responsible for checking the qualifications of candidates for the PRC?

DW/amm:svb