

PRC overhaul moving quickly in NM Legislature

By Barry Massey | The Associated Press

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Proposals to overhaul a scandal-tarnished state regulatory agency are off to a fast start in the Legislature and enjoy bipartisan support.

Three measures to revamp the Public Regulation Commission are heading to the House for consideration after unanimously clearing several committees. It's uncertain when the proposals will be debated.

The PRC, made up of five elected members, regulates utilities, telecommunications, insurance and other industries. Two commissioners have been forced to resign since 2010 because of felony convictions, including Jerome Block Jr. last year for misuse of taxpayer money and campaign law violations.

"These three constitutional amendments will go a long way toward fixing the systemic problems that have plagued the PRC since its inception and reforming the agency so that it better serves all New Mexicans," Fred Nathan, executive director of Think New Mexico, said Tuesday. The independent think tank published a report last year advocating an overhaul of the PRC.

If approved by the House and Senate, the proposals will be placed on the November general election ballot and voters will decide whether to adopt them.

The House Voters and Elections Committee unanimously endorsed two measures Tuesday to change the state Constitution to streamline PRC duties:

- Removing insurance from the PRC's supervision and creating an independent regulator with the insurance superintendent appointed by the governor. Candidates would be recommended by a bipartisan nominating commission named by legislative leaders. Currently, the PRC hires and fires the insurance superintendent.
- Shifting the registration and annual reporting requirements for corporations from the PRC to the secretary of state's office, which already handles those responsibilities for partnerships.

A third proposal will require minimum professional and educational qualifications for elected PRC members. Two committees have unanimously endorsed the measure.

If adopted by voters, it would be left to the Legislature to establish the specific qualifications. Advocates have suggested requiring PRC members to have a bachelor's degree from an accredited college or several years of professional experience in certain areas, such as law, engineering or economics.

Currently, a PRC candidate needs only to be 18, a New Mexico resident for at least one year and have no felony convictions. At least 15 states impose educational or professional experience qualifications on their utility regulators, according to the think tank's report.

Block, 34, didn't have a four-year college degree and worked at a title insurance company when he ran for office in 2008.

Commissioner Jason Marks told lawmakers on Tuesday that he welcomed the proposed changes. He described the PRC's insurance operations as a "miniature kingdom" not well integrated within the agency. It's up to the insurance superintendent -- rather than the commissioners who make decisions on utility matters -- to review and approve insurance rate increases.

Marks said commissioners don't have the time to follow insurance issues until "something blows up," such as public anger two years ago over a health insurance rate increase of more than 20 percent. Moving insurance out of the PRC, Marks said, will allow the commissioners to focus on the core mission of regulating utilities and telecommunications companies.

Two other PRC members also support the regulatory overhaul.

The PRC insurance change is HJR17. The corporation registration proposal is HJR16 and the PRC qualifications measure is HJR11.

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