AN ACT

RELATING TO THE WATER PROJECT FUND; PROVIDING THAT TEN PERCENT
OF AVAILABLE WATER PROJECT FUNDS BE DEDICATED TO PROJECTS THAT
SERVE CERTAIN MUTUAL DOMESTIC WATER ASSOCIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 72-4A-9 NMSA 1978 (being Laws 2001,
Chapter 164, Section 9, as amended) is amended to read:

"72-4A-9. WATER PROJECT FUND--CREATED--PURPOSE.--

A. The "water project fund" is created in the New
Mexico finance authority and shall consist of distributions
made to the fund from the water trust fund and payments of
principal of and interest on loans for approved water projects.
The fund shall also consist of any other money appropriated,
distributed or otherwise allocated to the fund for the purpose
of supporting water projects pursuant to provisions of the
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Water Project Finance Act. The fund shall be administered by
the authority. Income from investment of the water project
fund shall be credited to the fund. Balances in the fund at
the end of any fiscal year shall not revert to the general
fund. The water project fund may consist of such subaccounts
as the authority deems necessary to carry out the purposes of
the fund. The authority may establish procedures and adopt
rules as required to administer the fund and to recover from
the fund costs of administering the fund and originating grants
and loans. Ten percent of all water project funds shall be
dedicated to the state engineer for water rights adjudications,
and twenty percent of the money dedicated for water rights
adjudications shall be allocated to the administrative office
of the courts for the courts' costs associated with those
adjudications. Ten percent of the annual available water
project funds shall be dedicated to grants for qualifying water
projects that serve mutual domestic water associations. Such
grants for mutual domestic water associations shall not require
a matching contribution, and mutual domestic water associations
shall not be required to be part of an accepted regional water
planning area to be eligible. Mutual domestic water
association grant recipients shall be required to obtain all
requisite state and federal permits and authorizations
necessary as part of the grant authorization and may use the
grant funds to acquire the required permits if approved.
B. Money in the water project fund may be used to make loans or grants to qualified entities for any project approved by the legislature and for water rights adjudications.

C. The authority is authorized to issue revenue bonds payable from the proceeds of loan repayments made into the water project fund upon a determination by the authority that issuance of the bonds is necessary to replenish the principal balance of the fund. The net proceeds from the sale of the bonds shall be deposited in the water project fund. The bonds shall be authorized and issued by the authority in accordance with the provisions of the New Mexico Finance Authority Act.

D. As used in this section, "mutual domestic water association" means a mutual domestic water consumers association or other association organized pursuant to the Sanitary Projects Act."