

1 AN ACT
2 RELATING TO PUBLIC FINANCE; INCREASING THE AMOUNT OF GRANTS
3 THAT MAY BE MADE FROM THE WATER AND WASTEWATER PROJECT GRANT
4 FUND; AMENDING A SECTION OF THE NMSA 1978; DECLARING AN
5 EMERGENCY.

6
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

8 Section 1. Section 6-21-6.3 NMSA 1978 (being Laws
9 1999, Chapter 186, Section 2, as amended) is amended to
10 read:

11 "6-21-6.3. WATER AND WASTEWATER PROJECT GRANT FUND--
12 CREATION-- ADMINISTRATION-- PURPOSES. --

13 A. There is created in the authority the "water
14 and wastewater project grant fund", which shall be
15 administered by the authority. The authority shall adopt,
16 in accordance with the New Mexico Finance Authority Act,
17 rules necessary to administer the fund.

18 B. The following shall be deposited directly
19 into the water and wastewater project grant fund:

20 (1) the net proceeds from the sale of bonds
21 issued pursuant to the provisions of Section 6-21-6.1 NMSA
22 1978 for the purposes of the water and wastewater project
23 grant fund and payable from the public project revolving
24 fund;

25 (2) money appropriated by the legislature

1 to implement the provisions of this section; and

2 (3) any other public or private money
3 dedicated to the fund.

4 C. Money in the water and wastewater project
5 grant fund is appropriated to the authority to make grants
6 to qualified entities for water or wastewater public
7 projects pursuant to specific authorization by law for each
8 project and to pay administrative costs of the water and
9 wastewater project grant program.

10 D. The authority shall adopt rules governing the
11 terms and conditions of grants made from the water and
12 wastewater project grant fund. Except in the circumstances
13 set forth in Subsection F of this section, grants may be
14 made from the fund only with participation from the
15 qualified entity in the form of a local match, which shall
16 be determined by a sliding scale based on the qualified
17 entity's financial capacity to pay a portion of the project
18 from local resources. Grants from the water and wastewater
19 project grant fund may be made only as all or part of
20 financing for a complete project after the authority has
21 determined that the financing for the complete project is
22 cost effective.

23 E. The authority may make grants from the water
24 and wastewater project grant fund to qualified entities for
25 emergency public projects without specific authorization by

1 law. Each emergency public project shall be designated as
2 such by the authority prior to making the grant. The
3 aggregate amount of grants for emergency public projects in
4 fiscal years 2003, 2004 and 2005 shall not exceed six
5 million dollars (\$6,000,000) for each fiscal year. The
6 aggregate amount of grants for emergency public projects in
7 fiscal year 2006 and subsequent fiscal years shall not
8 exceed three million dollars (\$3,000,000) for each fiscal
9 year.

10 F. To encourage consolidation of water or
11 wastewater systems and to discourage proliferation of
12 multiple water or wastewater systems, the authority may
13 determine the local match requirement based on the financial
14 capacity of:

15 (1) the residents of the geographic area
16 benefiting from the improvements to be financed with the
17 proceeds of the grant received on their behalf by the
18 qualified entity; or

19 (2) the qualified entity benefiting from
20 the improvements to be financed with the proceeds of the
21 grant when the benefiting qualified entity agrees to
22 consolidate with the qualified entity receiving the grant."

23 Section 2. EMERGENCY.--It is necessary for the public
24 peace, health and safety that this act take effect
25 immediately.
