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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Ferrary/Cates/Herrera/Borrego/Lujan **ORIGINAL DATE** 2/10/23

BILL

SHORT TITLE Nonfunctional Turf Installation **NUMBER** House Bill 352

ANALYST Graeser

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25	FY26	FY27		
	No fiscal impact				Recurring	General Fund
	No fiscal impact				Recurring	Local Governments

Parenthesis () indicate revenue decreases.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Unknown but could be significant			Recurring	Local Governments

Parenthesis () indicate expenditure decreases.

Sources of Information

LFC Files

Responses Received From

Office of the State Engineer (OSE)

Responses Not Received From

New Mexico Counties Association

New Mexico Municipal League

Department of Finance and Administration/Local Government Division (DFA/LGD)

SUMMARY

Synopsis of House Bill 352

House Bill 352 defines “nonfunctional turf” as irrigated turf grass that has no recreational purpose or is primarily decorative, including turf in or around medians, roundabouts, parking lots, landscape strips between the sidewalk and the street, commercial properties and industrial properties.

The bill then proposes three measures to address this aspect of water conservation:

- Nonfunctional turf shall not be installed on nonresidential properties on or after January 1, 2025;

- On or after January 1, 2030, and in an area serviced by a large public water system, serving at least 5,000 customers daily, potable water shall not be used to irrigate nonfunctional turf on nonresidential property;
- Nonfunctional turf that is removed shall be replaced with drought- and climate-resilient landscaping.

Counties and municipalities, including home rule municipalities, are required to enact ordinances to carry out the provisions of the bill and may expand upon the definition of "nonfunctional turf" and are required to prescribe a penalty for a violation of the provisions of this act.

This bill does not contain an effective date, and as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed. The provisions of the bill impose trigger dates for certain actions in lieu of an effective date.

FISCAL IMPLICATIONS

There are no revenue implications of the provisions of this bill. Local governments will bear the administrative costs of implementing and enforcing the provisions of the act.

SIGNIFICANT ISSUES

OSE notes the following:

The bill as currently written defines large public water systems as systems that “regularly serve [] at least five thousand individuals daily.” Public water systems are better defined based on the number of connections rather than the population served. Population calculations could be subjective depending upon the data source used in the calculation. Connections, however, are generally easily quantifiable from the system’s own records.

The bill defines “residential property” as “a property zones for a single-family or multifamily dwelling, but does not include a common area of a homeowner association.” It is not entirely clear whether this definition includes common areas for multifamily units that are not a homeowner’s association.

The bill regulates nonfunctional turf on “nonresidential property.” It is not clear whether this is all property zoned for everything besides single-family or multi-family dwellings, and it is not clear whether mixed residential/commercial zoned property would be “residential” or ‘nonresidential.’

ADMINISTRATIVE IMPLICATIONS

Local governments will bear the burden of administering the provisions of this bill.