

LFC Requester:	
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AGENCY BILL ANALYSIS
2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment _____
Correction _____ Substitute _____

Date 1/10/25

Bill No: HB311

Sponsor: Nathan P. Small
Short RECLAIMED WATER ACT
Title: _____

Agency Name and Code Number: New Mexico State University/954
Person Writing Clayton Abbey
Phone: 505-239-8821 Email nmsufir@nmsu.edu

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: The Reclaimed Water Act of 2025, introduced as House Bill 311, aims to enhance water conservation efforts and promote the sustainable use of reclaimed water resources in New Mexico. The Act provides a framework for the creation of reclaimed water authorities, outlining their powers and duties. It also establishes a certification process for reclaimed water and specifies that once certified, reclaimed water will not be subject to state laws governing wastewater. The provisions of this Act are set to take effect on July 1, 2025.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

There exists no fiscal impact.

SIGNIFICANT ISSUES

The bill does not directly impact NMSU or Higher Ed. Although the Reclaimed Water Act of 2025 does not contain a direct research component, the state's ongoing initiatives, such as the New Mexico Produced Water Research Consortium, continue to advance research in water reclamation and reuse. NMSU is the state leader in water quality, treatment, and reuse; and can provide information to state agencies in reclaimed water regulations, as specified in

SECTION 5. [NEW MATERIAL] AUTHORITY POWERS AND DUTIES.--

A. An authority shall have the powers conferred upon a domestic nonprofit corporation by the Nonprofit Corporation Act and, pursuant to the Reclaimed Water Act, the authority may:

(18) engage in research and development activities to improve water and wastewater treatment technologies and processes;

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

New Mexico's House Bill 311 (Reclaimed Water Act of 2025) proposes a new structure to encourage reclaimed water usage, potentially allowing for the creation of reclaimed water authorities. If enacted, it could be one of the first efforts to formalize a broader governance model specifically for reclaimed water at a regional or state level. A standardized certification process is outlined to ensure that reclaimed water meets specific quality standards. Once certified, reclaimed water is exempt from certain state laws governing wastewater, facilitating its broader application.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

New Mexico's Reclaimed Water Act of 2025 introduces a more centralized and formalized structure for managing reclaimed water in the state (including produced water), which could offer several advantages, including enhanced coordination among various stakeholders involved in water reclamation and reuse, and standardized certification process that can ensure consistent water quality standards across the state. However, the success of this approach will depend on effective implementation, adequate funding, and ongoing stakeholder engagement.

This Bill has significant advantages, but some details need to be defined, such as:

- **Reporting structure:** In New Mexico, the management and oversight of water resources are primarily under the jurisdiction of the Office of the State Engineer (OSE). The reporting structure for the Reclaimed Water Authority (and Board) is not clear in the Bill. It mentions that:
 - o The Economic Development Department may authorize the creation and approve the RWA(B)
 - o Water Quality Control Commission (WQCC) will certify the reclaimed water
- **Effective Period of Certification:** The Bill may consider the evaluation of the certification and the effective period (e.g., like a permit that could be reviewed and evaluated every 5 years, especially if the rules and water quality standards by WQCC may change and amend).

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS