

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/28/2025 *Check all that apply:*
Bill Number: SB 29 Original Correction
 Amendment Substitute

Sponsor: Sen. George K. Muñoz **Agency Name and Code** Office of the State Engineer
Short Title: Water Project Fund **Number:** 550
Appropriation **Person Writing** Kelly Smith
Phone: 505-819-1046 **Email** Kelly.smith@ose.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|---------------------------|---------------|
| FY25 | FY26 | | |
| NFI | \$222,000 | Nonrecurring | General |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|-----------|------|---------------------------|--------------------|
| FY25 | FY26 | FY27 | | |
| NFI | \$222,000 | NFI | Nonrecurring | Water Project Fund |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| Total | N/A | N/A | N/A | N/A | N/A | N/A |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

This bill would make a one-time non-recurring appropriation of two hundred and twenty-two million dollars (\$222,000,000) to capitalize the existing statutory Water Project Fund created in the New Mexico Finance Authority. The statutory purpose of this fund is to make loans or grants to qualified entities for water resource and infrastructure projects pursuant to the provisions of the Water Project Finance Act (WPFA) including water rights adjudications.

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.

This bill would have a direct fiscal impact of significantly increasing the amount of funding available to allocate to statewide WPFA projects. It could result in a corresponding minor indirect fiscal and operational impact lasting one or more years for the entities involved in the awarding and management of the increased volume of projects. Impacted entities include the Water Trust Board, the New Mexico Finance Authority, and those agencies which provide technical project review assistance under the WPFA. It would also increase the amount of funding available for distribution to the Office of the State Engineer and the Administrative Office of the Courts for water rights adjudications.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

This bill would result in administrative implications lasting one or more years primarily for the Water Trust Board and the New Mexico Finance Authority through management of the increased volume of projects.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If not enacted, there would not be any addition of funds to the Water Project Fund to support additional water projects.

AMENDMENTS

None