

LFC Requester:	Davidson
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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: 01/31/2025 *Check all that apply:*
Bill Number: SB37 Original Correction
 Amendment Substitute

Sponsor: Stefanics, Dixon, McQueen, Wirth **Agency Name and Code** New Mexico Environmental Department 667
Short Title: Strategic Water Reserve Fund **Person Writing** _____
Title: _____ **Phone:** _____ **Email:** _____

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(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 bill creates the “strategic water reserve fund” in the state treasury. Funds can consist of distributions, appropriations, gifts grants, donations and income from the investment of the fund. Unexpended or unencumbered fund balances in excess of fifteen million dollars shall revert back to the general fund at the end of the fiscal year. The bill provides that over a five-year period no more than twenty-five percent of the funds expended can be used for the purpose of aquifer recharge and groundwater depletion.

The bill adds a new criterion for the Interstate Stream Commission to consider when acquiring water rights and what the Interstate Stream Commission can use those water rights for. The focus of the new criterion is to support aquifer recharge and reduce groundwater depletion. If SB37 is passed the Interstate Stream Commission will be mandated to consider whether the acquisition of water rights will provide supplementary benefits, such as supporting traditional and cultural practices, habitat improvement or recreational opportunities within the affected water reach or groundwater basin.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

This bill provides for the use of strategic water fund water for uses such as environment benefit, including habitat improvement or recreational opportunities, both which Surface Water Quality programs at NMED support through the Clean Water Act Section 319 and River Stewardship Program opportunities. Not enacting the changes to the Strategic Water Reserve will leave ambiguity in uses of the strategic water reserve, especially for environmental benefit purposes.

AMENDMENTS