

LFC Requester:

**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 2/12/25
Bill No: SB342

Sponsor: George K. Muñoz and Elizabeth "Liz" Stefanics
Short Title: Brackish Water Projects Funding

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
FY26	FY27		
\$50,000		Nonrecurring	General
\$16,000		Nonrecurring	General
\$4,0000		Nonrecurring	General

(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: HB0137 (Strategic Water Supply Act)

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: B0342 establishes a regulatory framework for the use of naturally occurring brackish water in New Mexico and provides \$70 million in funding for research, exploration, and technology development related to brackish water treatment. The bill mandates the New Mexico Department of Environment to develop rules for brackish water use by December 31, 2026 and provides funding to:

- Office of the State Engineer (\$50M, FY 2026-2030) for brackish water exploration, treatment, and aquifer characterization in key regions (Lower Rio Grande, Middle Rio Grande, Permian Basin, and Northwest New Mexico).
- New Mexico Institute of Mining and Technology (\$16M, FY 2026-2030) for innovation, research, and aquifer monitoring.
- New Mexico State University (\$4M, FY 2026-2030) for research and technology development related to brackish water projects.

FISCAL IMPLICATIONS

The bill appropriates \$70 million from the general fund to fund brackish water research and development efforts through FY 2030. Any unexpended or unencumbered funds revert to the general fund. There is no direct revenue generation or recurring cost beyond the appropriated amounts. **With existing personnel and capabilities, NMSU could readily execute the stated \$4M (or with more).**

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

The bill enhances the state’s ability to manage brackish water resources effectively, but ensuring success will require strong coordination between state agencies, universities, and water utilities.

ADMINISTRATIVE IMPLICATIONS

- The Department of Environment must establish rules by December 31, 2026.
- The Office of the State Engineer will oversee funding for brackish water exploration.
- NMT and NMSU will conduct research and development activities.

Some of the NMSU funding should cover personnel time associated with administering the work.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

- **Relates to HB0137**, which also focuses on water resource management but includes **produced water and long-term funding mechanisms**.
- **Both bills contribute to New Mexico's water security goals** but differ in their scope and implementation strategies.

TECHNICAL ISSUES

Consider **adding language that acknowledges NMSU's expertise** in brackish water research and development and **defines the scope of work** involved.

OTHER SUBSTANTIVE ISSUES

Consider future legislation to establish long-term funding mechanisms beyond FY 2030.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

- Lack of a regulatory framework for brackish water use.
- Missed opportunity for New Mexico to develop alternative water resources.
- Potential delays in research and technology development critical for sustainable water management

AMENDMENTS