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FISCAL IMPACT REPORT

SPONSOR <u>Sen. Stefanics/Rep. Ortez</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/27/2025</u>
SHORT TITLE <u>Water & Wetland Improvement Projects</u>	BILL NUMBER <u>Senate Bill 108</u>
	ANALYST <u>Davidson</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$10,000	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMED	No fiscal impact	Up to \$150	Up to \$150	Up to \$300	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 92

Sources of Information

LFC Files

Agency Analysis Received From
 New Mexico Environment Department

SUMMARY

Synopsis of Senate Bill 108

Senate Bill 108 appropriates \$10 million from the general fund to the Environment Department for the purpose of work related to river, stream, wetland, and surface water quality improvement.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

Analysis from the Environment Department (NMED) noted the appropriation from Senate Bill 108 would supplement work within the department's River Stewardship Program (RSP). NMED expects administration of the appropriated funds would require one additional personnel and increase RSP's recurring program budget by \$150 thousand. NMED estimates the additional funding could be used for 15 new watershed projects.

SIGNIFICANT ISSUES

An August 2024 LFC program evaluation notes that government entities across New are reporting \$5.7 billion in future water and wastewater infrastructure needs, and issues with a complex request and funding system create issues for communities applying for funding. The report further notes many New Mexico water systems are also having issues with basic operating practices, as shown by audit noncompliance and a lack of asset management plans, which limits access to funding and prevents effective long-term repairs and replacements

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 108 duplicates House Bill 92. Both bills call for an appropriation to the New Mexico Environment Department for river, stream, wetland, and surface water quality improvement.

AD/rl/hg/hj