

CHAPTER 23

CHAPTER 23, LAWS 2002

AN ACT

RELATING TO THE WATER AND WASTEWATER PROJECT GRANT FUND;
ALLOWING THE NEW MEXICO FINANCE AUTHORITY TO ADJUST LOCAL
MATCH REQUIREMENTS TO ENCOURAGE CONSOLIDATION OF WATER AND
WASTEWATER SYSTEMS; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-21-6.3 NMSA 1978 (being Laws 1999, Chapter 186, Section 2, as amended) is amended to read:

"6-21-6.3. WATER AND WASTEWATER PROJECT GRANT FUND--
CREATION--ADMINISTRATION--PURPOSES.--

A. There is created in the authority the "water and wastewater project grant fund", which shall be administered by the authority. The authority shall adopt, in accordance with the New Mexico Finance Authority Act, rules necessary to administer the fund.

B. The following shall be deposited directly into the water and wastewater project grant fund:

(1) the net proceeds from the sale of bonds issued pursuant to the provisions of Section 6-21-6.1 NMSA 1978 for the purposes of the water and wastewater project grant fund and payable from the public project revolving fund;

(2) money appropriated by the legislature to implement the provisions of this section; and

(3) any other public or private money dedicated to the fund.

C. Money in the water and wastewater project grant fund is appropriated to the authority to make grants to qualified entities for water or wastewater public projects pursuant to specific authorization by law for each project and to pay administrative costs of the water and wastewater project grant program.

D. The authority shall adopt rules governing the terms and conditions of grants made from the water and wastewater project grant fund. Except in the circumstances set forth in Subsection F of this section, grants may be made from the fund only with participation from the qualified entity in the form of a local match, which shall be determined by a sliding scale based on the qualified

entity's financial capacity to pay a portion of the project from local resources. Grants from the water and wastewater project grant fund may be made only as all or part of financing for a complete project after the authority has determined that the financing for the complete project is cost effective.

E. The authority may make grants from the water and wastewater project grant fund to qualified entities for emergency public projects without specific authorization by law. Each emergency public project shall be designated as such by the authority prior to making the grant. The aggregate amount of grants for emergency public projects in any one fiscal year shall not exceed three million dollars (\$3,000,000).

F. To encourage consolidation of water or wastewater systems and to discourage proliferation of multiple water or wastewater systems, the authority may determine the local match requirement based on the financial capacity of:

(1) the residents of the geographic area benefiting from the improvements to be financed with the proceeds of the grant received on their behalf by the qualified entity; or

(2) the qualified entity benefiting from the improvements to be financed with the proceeds of the grant when the benefiting qualified entity agrees to consolidate with the qualified entity receiving the grant."

Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

HOUSE BILL 235, AS AMENDED
WITH EMERGENCY CLAUSE
SIGNED March 4, 2002