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HOUSE BILL 235

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

James G. Taylor

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

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.**

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

3 (1) the net proceeds from the sale of bonds
4 issued pursuant to the provisions of Section 6-21-6.1 NMSA
5 1978 for the purposes of the water and wastewater project
6 grant fund and payable from the public project revolving fund;

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

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

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

17 D. The authority shall adopt rules governing the
18 terms and conditions of grants made from the water and
19 wastewater project grant fund. Except in the circumstances
20 set forth in Subsection F of this section, grants may be made
21 from the fund only with participation from the qualified
22 entity in the form of a local match [~~The local match~~
23 ~~requirement~~], which shall be determined by a sliding scale
24 based on the qualified entity's financial capacity to pay a
25 portion of the project from local resources. Grants from the

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1 water and wastewater project grant fund may be made only as
2 all or part of financing for a complete project after the
3 authority has determined that the financing for the complete
4 project is cost effective.

5 E. The authority may make grants from the water
6 and wastewater project grant fund to qualified entities for
7 emergency public projects without specific authorization by
8 law. Each emergency public project shall be designated as
9 such by the authority prior to making the grant. The
10 aggregate amount of grants for emergency public projects in
11 any one fiscal year shall not exceed three million dollars
12 (\$3,000,000).

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

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

21 (2) the qualified entity receiving the grant
22 on behalf of the residents of the geographic area benefiting
23 from the improvements to be financed with the proceeds of the
24 grant when the residents agree not to form another qualified
25 entity;

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(3) 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; or

(4) the qualified entity receiving the grant on behalf of another qualified entity when the benefiting qualified entity agrees to consolidate with the qualified entity receiving the grant on its behalf. "

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