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## FISCAL IMPACT REPORT



SPONSOR: Taylor, J.G. DATE TYPED: 02/04/02 HB 235

SHORT TITLE: NMFA Local Match Requirements SB \_\_\_\_\_

ANALYST: Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)  
LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 235 broadens the terms and conditions for determining local match requirements for grants made from the Water and Wastewater Project Grant Fund.

#### Significant Issues

House Bill 235 would allow a qualified entity to receive a grant on behalf of another entity or other water systems based on the financial capacity of residents of that geographic area benefiting from the proposed improvements. Under current law, grants can only be made to a qualified entity but with a local match based on the qualified entity's financial capacity to pay a portion of the project from local resources. According to NMFA, House Bill 235 makes more efficient use of scarce grant funds by providing longer-term solutions for small entities. Many smaller entities will be more efficient by hooking up to larger neighboring systems rather than creating and maintaining their own systems.

**OTHER SUBSTANTIVE ISSUES**

House Bill 235 attempts to encourage consolidation of small water and wastewater systems and discourage the proliferation of multiple water or wastewater systems by expanding the definition of a local match requirement.

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