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FISCAL IMPACT REPORT

SPONSOR Papen DATE TYPED 2/1/04 HB _____

SHORT TITLE Water & Wastewater Project Fund Grants SB 260

ANALYST Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	NFI				NFI

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 200.

SOURCES OF INFORMATION

LFC Files
New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of Bill

Senate Bill 260 authorizes the New Mexico Finance Authority (NMFA) to make grants to 131 qualified entities for 194 projects from the Water & Wastewater Project Grant Fund (WWGF).

Significant Issues

The 1999 Legislature created the WWGF within NMFA for the purpose of awarding grants for water and wastewater projects to qualified entities. The authorization does not guarantee that projects will receive funding. Criteria and rules established by the NMFA governing board and approved by the NMFA Legislative Oversight Committee must be met to qualify for assistance from the WWGF. Current rules provide that grants be limited to \$150,000 for equipment and \$400,000 for capital projects, unless otherwise authorized by law. The funds for the program are derived from the net proceeds of the sale of bonds authorized by law and payable from governmental gross receipts tax. The grant fund is also authorized to receive money appropriated by the legislature as well as other public or private monies.

The Water and Wastewater Grant Fund is also used to combine the NMFA's low-cost, low-interest rate loan financing with grants for water and wastewater projects. For example, if a qualifying entity is unable to finance a project fully with loan funds, the entity could apply for a

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partial grant from grant fund and a partial loan from the PPRF. A local match could be determined by a sliding scale based on the applicant's financial capability to repay a portion of the project from local resources.

A provision of this bill states that if a qualified entity listed within the bill has not certified to NMFA the need for a grant from WWGF by the end of fiscal year 2007, the legislative authorization is void.

The bill contains an emergency clause.

DUPLICATION

This bill duplicates House Bill 200 in its entirety.

LMK/yr