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## FISCAL IMPACT REPORT

SPONSOR Snyder DATE TYPED 01/23/04 HB \_\_\_\_\_

SHORT TITLE Drinking Water State Revolving Loan Funds SB 150

ANALYST Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$1,600.8				Non-Recurring	Public Project Revolving Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates House Bill 100.

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
\$1,600.8			Non-Recurring	DWSRLF

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)  
LFC Files

### SUMMARY

#### Synopsis of Bill

Senate Bill 150 appropriates \$1.6 million from the Public Project Revolving Fund (PPRF) to the Drinking Water State Revolving Loan Fund (DWRLF) to carry out the purposes of the Drinking Water State Revolving Loan Fund Act. The bill contains an emergency clause.

#### Significant Issues

The New Mexico Drinking Water State Revolving Loan Fund Act was enacted by the 1997 Legislature in response to the reauthorization of the federal Safe Drinking Water Act. The reauthori-

zation requires the Environmental Protection Agency to make capitalization grants to states over the next several years to improve and protect drinking water quality and public health. The fund provides public authorities in New Mexico with low-cost financial assistance, with a base rate of three percent, for construction, rehabilitation, or expansion of drinking water facilities. Disadvantaged communities qualify for interest-free loans.

The appropriation contained in Senate Bill 150 will provide a 20 percent state match for a federal capitalization grant totaling \$8 million for the state's DWSRLF.

### **FISCAL IMPLICATIONS**

The bill appropriates \$1,600.8 for the Public Project Revolving Fund (PPRF) to the Drinking Water State Revolving Loan Fund.

The appropriation contained in Senate Bill 150 is for expenditure in fiscal year 2004 and subsequent fiscal years to carry out the purposes of the Drinking Water State Revolving Loan Fund Act and shall not revert.

### **ADMINISTRATIVE IMPLICATIONS**

The responsibilities of administering the loan program are divided between NMFA and the New Mexico Environment Department (NMED). NMFA administers the financial aspects of the funds, and NMED administers the technical aspects for projects. The federal Safe Drinking Water Act allows using 31 percent of the funds for set-aside activities.

**LMK/yr:lg**