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## FISCAL IMPACT REPORT

SPONSOR Campos DATE TYPED 01/26/04 HB \_\_\_\_\_  
 SHORT TITLE Water & Wastewater Funds for Conservation SB 194  
 ANALYST Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$1,000.0				Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates House Bill 123.

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
\$1,000.0			Non-Recurring	W&WW Planning Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)  
LFC Files

### SUMMARY

#### Synopsis of Bill

Senate Bill 194 appropriates \$1 million from the general fund to the water and wastewater planning fund for the purpose of making grants to qualified entities for planning water and wastewater projects. The bill further amends the definition of qualified projects to allow grants for development of water conservation plans.

#### Significant Issues

The water and wastewater planning fund was created by the 2002 Legislature within NMFA for

the purpose of making grants to qualified entities to evaluate and estimate the costs of implementing the most feasible alternatives for meeting water and wastewater public project needs, and to pay administrative costs of the water and wastewater planning program. NMFA is currently authorized to issue revenue bonds payable from the public project revolving fund in an amount not to exceed \$1 million for the purpose of providing grants for studies and analyses.

This bill would provide funding for planning purposes from the general fund rather than the public project revolving loan fund. The bill also expands the purposes of the funds to include development of water conservation plans.

Grants may be made from the fund only with the agreement of the qualified entity to reimburse the fund for the amount of the grant when financing from any source is subsequently received by the qualified entity for the water or wastewater public project. Repayments to the fund are made without interest or fee.

NMFA may make grants from the water and wastewater planning fund to qualified entities without specific authorization by law for each grant.

The bill contains an emergency clause.

### **FISCAL IMPLICATIONS**

The appropriation of \$1,000.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 and subsequent years shall not revert to the general fund.

### **OTHER SUBSTANTIVE ISSUES**

Laws 2003, Chapter 138 stipulates that after December 31, 2005, neither the water trust board nor the NMFA shall accept an application from a covered entity, a municipality, county, or any other person that supplies, distributes or otherwise provides at least 500 acre-feet of water annually for domestic, commercial, industrial or government purposes, for financial assistance in the construction of any water diversion, storage, conveyance, water treatment or wastewater treatment facility unless the covered entity includes a copy of its water conservation plan.

### **DUPLICATION**

Senate Bill 194 duplicates House Bill 123 in its entirety.

### **POSSIBLE QUESTIONS**

1. NMFA is currently authorized to issue revenue bonds payable from the public project revolving fund in an amount not to exceed \$1 million for the purpose of providing grants for studies and analyses. If general fund capacity is not available for purposes of this bill, will the planning of water and wastewater projects and development of conservation plans continue to be funded from the public project revolving fund?