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FISCAL IMPACT REPORT

	ORIGINAL DATE 2/18/2007		
SPONSOR	Griego	LAST UPDATED	HB _____
	NMSU WATER UTILITY AUTHORITY		
SHORT TITLE	STUDY	SB	1059
		ANALYST	Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$500.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Department of Higher Education (HED)

Water Resources Research Institute (WRRI)

SUMMARY

Synopsis of Bill

Senate Bill1059 appropriates \$500,000 from the General Fund to New Mexico State University (NMSU) for expenditure in FY08 for the Water Resources Research Institute (WRRI) to study the feasibility of and prepare legislation to create a regional water utility authority.

FISCAL IMPLICATIONS

The appropriation of \$500,000 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

SIGNIFICANT ISSUES

According to a WRRI representative, the intent of SB1059 is to conduct an independent, scientific study of governmental systems that have authority over water utility. The New Mexico WRRI's primary objective is to maintain a balanced program of research that addresses water

problems critical to New Mexico, the Southwest, and the nation.

Presently, there is one regional water utility authority in New Mexico. The Albuquerque-Bernalillo water utility authority was created to set policy, regulate, supervise, and administer water and wastewater utility in that region. Other areas of the state operate within the jurisdiction of city, county, domestic, and private water authorities. The regional concept joins the smaller organizations together providing a more cost effective system. Forming partnerships for administrative, operational, and financial infrastructure also assists with long term planning.

Water projects are submitted to the legislature each year for appropriation to the Water Trust Fund. The New Mexico Finance Authority makes loans and grants from the trust fund.

This request was not submitted by NMSU to the New Mexico Higher Education Department for review and the Department recommended level funding for FY08.

GM/nt