

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/27/09
 LAST UPDATED 3/18/09 HB _____

SPONSOR McSorley

SHORT TITLE Review Albuquerque-Bernalillo Water Authority SJM 54/aSFI#1/aHHGAC

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act
 Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$25.0*			Non recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

*Estimated for NMED .5 FTE involvements.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)
 New Mexico Environment Department (NMED)
 Office of the State Engineer (OSE)

SUMMARY

Synopsis of HHGAC Amendment

The House Health and Government Affairs Committee amendment removes as convenors or the group conducting the review and changes the report due date to October 1, 2009.

Synopsis of SFL#1

Senate Floor Amendment #1 adds the City of Albuquerque and Bernalillo County to the DFA as joint convenors of the group conducting the review and further provides for transmittal of the memorial to the Mayor of Albuquerque, the Albuquerque City Council and the Bernalillo County Commission.

Synopsis of Original Bill

Senate Joint Memorial 54 requests that the Local Government Division of DFA convene a group of agency and citizen stakeholders to review the Albuquerque-Bernalillo County Water Utility Authority for the purpose of making recommendations to the legislature and that the results of the review be reported by August 1, 2009 to the appropriate legislative interim committee.

FISCAL IMPLICATIONS

DFA reports that there would be no impact on the operating budget of the DFA since existing staff levels would incur the additional duties of conducting the review. The OSE reports no fiscal impact.

The NMED states that depending on the scope of the review, SJM 54 could impact NMED's Drinking Water Bureau's budget. If the review intends to include compliance with the Safe Drinking Water Act or New Mexico Drinking Water Regulations, Drinking Water Bureau staff will have to dedicate a substantial amount of time for collecting and disseminating the information necessary for the review. If the Drinking Water Bureau is required to participate as a stakeholder, additional staff time will be required to attend meetings and review functions. The Drinking Water Bureau estimates that the time required to perform the work in the memorial is equivalent to half a full-time employee.

SIGNIFICANT ISSUES

The legislature created the Albuquerque- Bernalillo county water utility authority in Section 72-1-10 NMSA 1978 in 2003.

Currently, during the first session of the forty-ninth legislature, another region is applying for designation as a public works authority and is seeking sweeping privileges.

It is important to conserve and preserve the state's precious water supplies.

Sufficient time has passed to enable a productive review of the Albuquerque-Bernalillo county water utility authority, and a review would be in order.

The DFA notes that in conducting this review, it should be noted that coordination could be time-consuming and might be difficult to complete by August 1, 2009. Between June and September, LGD analysts are charged with the responsibility of reviewing local governments' budgets as well as process property tax valuations to determine property tax mill levy rates for the upcoming tax year. Such responsibilities are stipulated by state statute, with no room for deadline extensions.

Senate Joint Memorial 54/aSFI#1/aHHGAC – Page 3

The NMED notes that the memorial may increase the workload for the Drinking Water Bureau without providing additional funding to support the required staff time. The scope of the review requested by the memorial is not defined.

ALTERNATIVES

DFA suggests a completion date of December 1, 2009. See DFA comment in Significant Issues.

GH/mc:mt