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FISCAL IMPACT REPORT

SPONSOR Crowder **ORIGINAL DATE** 01/26/16
LAST UPDATED 02/04/16 **HB** 160

SHORT TITLE Wastewater System Financing **SB** _____

ANALYST Amacher/Armstrong

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	(\$1,400.00)	Nonrecurring	Public Project Revolving Loan Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		
	\$1,400.0		Nonrecurring (PPRF state match)	Wastewater Facility Construction Loan Fund
	\$6,558.0		Nonrecurring (federal revenue)	Wastewater Facility Construction Loan Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates, Relates to, Conflicts with, Companion to: SB 102

SOURCES OF INFORMATION

LFC Files
 New Mexico Environment Department (NMED)
 New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of Bill

House Bill 160 is an appropriation of \$1.4 million from the public project revolving loan fund (PPRF) to the wastewater facility construction fund for expenditure in fiscal year 2017, and

subsequent fiscal years, providing state matching funds for the federal Clean Water Act projects and to carry out the purposes of the wastewater facility construction loan act. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the public project revolving loan fund.

FISCAL IMPLICATIONS

HB 160 appropriates \$1.4 million from the PPRF to the wastewater facility construction loan fund. This state match will leverage \$6.558 million of federal funding to be used in New Mexico in for eligible wastewater and storm water projects statewide. The New Mexico environment department's construction programs bureau administers the wastewater facility construction loan fund. The matching funds are requested annually for the capitalization grants from the U.S. Environmental Protection Agency to carry out the purposes of the Clean Water Act. The appropriation is an eligible appropriation from the PPRF as administered by the New Mexico finance authority.

SIGNIFICANT ISSUES

The wastewater facility construction loan fund, also known as the clean water state revolving loan fund (CWSRF) was established in 1986 pursuant to the Wastewater Facility Construction Loan Act and the federal Clean Water Act. The CWSRF program provides low-interest loans (0% to 3%) with a term of up to thirty years, and when permitted through the federal capitalization grants a loan subsidy is provided, to municipalities, counties, water and sanitation districts, mutual domestics, and tribes. Funding supports the planning, design and construction of wastewater collection and treatment projects, in addition to non-point source water pollution control projects. To date, NMED reports \$372.2 million has been awarded to communities statewide from the CWSRF.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 102 duplicates HB 160 in its entirety.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The State, through NMED, would need to find an alternative state match to secure federal funding for the annual capitalization grant anticipated to be \$6.558 million under the Clean Water Act.

JMA/jo/jle