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HOUSE BILL 123

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

Cathrynn N. Brown

AN ACT

RELATING TO PUBLIC SAFETY; ESTABLISHING AN ANNUAL DISTRIBUTION FROM THE WATER PROJECT FUND TO THE CARLSBAD BRINE WELL REMEDIATION FUND FOR REMEDIATION OF THE CARLSBAD BRINE WELL; PROVIDING A TIME LIMIT ON THE DISTRIBUTION OF FUNDS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 72-4A-9 NMSA 1978 (being Laws 2001, Chapter 164, Section 9, as amended) is amended to read:

"72-4A-9. WATER PROJECT FUND--CREATED--PURPOSE.--

A. The "water project fund" is created in the New Mexico finance authority and shall consist of distributions made to the fund from the water trust fund and payments of principal of and interest on loans for approved water projects. The fund shall also consist of any other money appropriated,

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1 distributed or otherwise allocated to the fund for the purpose
2 of supporting water projects pursuant to provisions of the
3 Water Project Finance Act. The fund shall be administered by
4 the authority. Income from investment of the water project
5 fund shall be credited to the fund. Balances in the fund at
6 the end of any fiscal year shall not revert to the general
7 fund. The water project fund may consist of such subaccounts
8 as the authority deems necessary to carry out the purposes of
9 the fund. The authority may establish procedures and adopt
10 rules as required to administer the fund and to recover from
11 the fund costs of administering the fund and originating grants
12 and loans. Ten percent of all water project funds shall be
13 dedicated to the state engineer for water rights adjudications,
14 and twenty percent of the money dedicated for water rights
15 adjudications shall be allocated to the administrative office
16 of the courts for the courts' costs associated with those
17 adjudications.

18 B. Money in the water project fund may be used to
19 make loans or grants to qualified entities for any project
20 approved by the legislature and for water rights adjudications.

21 C. The authority is authorized to issue revenue
22 bonds payable from the proceeds of loan repayments made into
23 the water project fund upon a determination by the authority
24 that issuance of the bonds is necessary to replenish the
25 principal balance of the fund. The net proceeds from the sale

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1 of the bonds shall be deposited in the water project fund. The
2 bonds shall be authorized and issued by the authority in
3 accordance with the provisions of the New Mexico Finance
4 Authority Act.

5 D. On July 1 of fiscal years 2019, 2020 and 2021, a
6 distribution shall be made from the water project fund to the
7 Carlsbad brine well remediation fund in the amount of one
8 million five hundred thousand dollars (\$1,500,000) for
9 remediation of the Carlsbad brine well to prevent brine
10 infiltration into the fresh water aquifer. The distribution
11 shall be made after ten percent of all water project funds have
12 been dedicated to the state engineer for water rights
13 adjudications and prior to the use of water project funds for
14 loans or grants. In any year that the balance in the water
15 project fund after dedicating funds to the state engineer is
16 less than one million five hundred thousand dollars
17 (\$1,500,000), the balance remaining in the fund shall be
18 distributed to the Carlsbad brine well remediation fund."