

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 02/18/2025

Check all that apply:

Bill Number: HB 427

Original Correction
Amendment Substitute

Sponsor: Rep. Micaela Cadena

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: Real-Time Water Quality Monitoring

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

This bill modifies the Water Project Finance Act to make real-time water monitoring projects eligible for funding under the Act.

Section 1 amends NMSA 1978, § 72-4A-5 to require the water trust board to authorize qualifying water projects to the New Mexico finance authority for the monitoring and protection of water quality.

Section 2 amends NMSA 1978, § 72-4A-6 to provide that real-time water quality projects may be funded by loans or grants made by the finance authority.

Section 3 amends NMSA 1978, § 72-4A-7 to define grant projects and loans for real-time water quality monitoring projects. Grant money is to be invested in technology and technical assistance, but is not to be used to cover the costs of originating the grants. All projects must report water quality data to NMED and cannot exceed a statutory cap in total obligations of the water project fund. The finance authority is empowered to evaluate the cap and determine if modification is needed before June 30, 2027. Finally, the amendment adds real time water-quality monitoring projects as an enumerated “eligible item” for grants.

FISCAL IMPLICATIONS

N/A.

SIGNIFICANT ISSUES

The Water Project Finance Act contains certain conditions for grants and loans. *See* NMSA 1978, § 72-4A-7. Currently, qualifying water projects consist of infrastructure-related projects such as water storage and conveyance, restoration, and flood prevention. No form of pure data-gathering or technology acquisition is contained within the list of qualifying water projects provided by the Act, although the existing qualified projects likely require data-gathering and technology acquisition to accomplish. *See id.* § 72-4A-5.

This bill would allow water quality monitoring projects to be eligible for funding but potentially not subject to the same conditions/restrictions as the other eligible grant categories. While the bill defines these monitoring projects as primarily technology systems and technical assistance,

thereby making some conditions—such as easements and proper title—superfluous, the bill would allow such projects to potentially not be subject to financial assurance and recordkeeping requirements.

The Act as currently written requires that qualifying water projects must be authorized by the legislature, but the amendment would insert water quality monitoring projects into the Act to potentially receive funding without legislative authorization.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

N/A.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

N/A.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A.