

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

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(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

AMENDMENT ANALYSIS

Date Prepared: 2/22/2025

Bill Number: HB569

Sponsor: Johnson / Lundstrom

Short Title: Navajo-Gallup Water Supply Project

Agency Name and Code Number: NM Indian Affairs Dept 60900

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Section II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|----------|---------------------------|--------------------|
| FY25 | FY26 | | |
| \$0 | \$10,000 | Nonrecurring | State General Fund |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|----------|----------------|---------------------------|------------------|
| FY25 | FY26 | FY27 | | |
| \$0 | \$10,000 | Left from FY26 | Nonrecurring | IAD General Fund |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

Austin Davidson, Analyst

| | | | | | | |
|--------------|-----|-----|-----|-----|------------------|----|
| Total | \$0 | \$0 | \$0 | \$0 | IAD General Fund | NA |
|--------------|-----|-----|-----|-----|------------------|----|

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

This bill appropriates \$10 million from the New Mexico state general fund to the Department of Environment for the Navajo-Gallup Water Supply Project, specifically for planning, designing, and constructing the Beacon-Bisti-N9 regional water line and Cutter Lateral 371/Interstate 40 project. The funding will be available for expenditure during fiscal years 2026 through 2028 and is designed to provide a critical water supply to twelve Navajo chapters: Coyote Canyon, Tse'ii'ahi', Nahodishgish, Crownpoint, Becenti, Lake Valley, White Rock, Little Water, Casamero Lake, Smith Lake, Baca/Prewitt, and Thoreau.

Any funds not spent or committed by the end of fiscal year 2028 will be returned to the state's general fund.

Amendment Analysis: The amendment clarifies the project lines and changes the administration of the funds to from the Department of Environment to the Indian Affairs Department.

FISCAL IMPLICATIONS

This bill does include an appropriation of \$10,000,000.00 from the state general fund to the Department of Environment. This bill does not contain any appropriations for the New Mexico Indian Affairs Department, as a result there is no fiscal impact to the New Mexico Indian Affairs Department.

Amendment Analysis: This amendment changes the funding administering agency from NMED to IAD for the \$10,000,000. IAD administers many grants to New Mexico's Nations, Pueblos, and Tribes. However, IAD could use additional personnel to assist with effective administration.

SIGNIFICANT ISSUES

IAD supports funding water infrastructure projects that benefit tribal communities. This additional funding will serve tribal communities and create water security and reliable drinking water in areas that have depended on diminished and poor-quality groundwater sources.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

There are no administrative implications in regard to the New Mexico Indian Affairs Department.

Austin Davidson, Analyst

Amendment Analysis: IAD may need additional personnel to ensure effective administration and oversight of the proposed funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Amendment Analysis: If these funds are not awarded, the Nation may have to seek other funds.

AMENDMENTS