

LFC Requester: _____

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

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

Check all that apply:
Original **Amendment** _____
Correction _____ **Substitute** _____

Date Prepared 1/27/2024
Bill Number: SENATE BILL 7

Sponsor: Sen. Sharer
Short Title **STORM WATER SERVICE
AS MUNICIPAL UTILITY**

Agency Name DFA-341
 And _____
Person Writing Joshua Silva
Phone: 505-470-1786 Joshua.silva@dfa.nm.gov

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 Expenditure 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

BILL SUMMARY

Synopsis: Senate Bill 7 (SB7) allows municipalities by ordinance the ability to provide for storm water service as a municipal utility and may require a payment in advance for collection, treatment, storage or disposal of storm water. The person owning or controlling real property within the municipality may pay a just and reasonable fee for storm water services provided by the municipal utility.

SB7 also adds storm water facilities to the municipal code definition of “municipal utility”.

There is no specific date on the bill when it will become effective, therefore it is assumed the bill would take effect 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

If a resident storm water service account is in arrears beyond thirty (30) days from the date of payment due, services can be discontinued for nonpayment. The service may be reinstated again once the person liable for payment covers the balance along with penalty and interest or the municipality may require reasonable payment or deposit in advance.

Acquiring real property or constructing storm facilities may require the municipalities to impose a fee on all residences within the municipal boundary. In addition, the operations of the storm facility service may require municipalities to hire new FTE positions resulting in increased costs that may also trickle down to the residents. Small rural municipalities with a significant senior citizen population on a fixed income may experience financial hardship with these increased costs.

There is no financial impact on the state, the impact will be on the municipality’s residents.

SIGNIFICANT ISSUES

The municipality through an ordinance may develop a new municipal utility department or add to their existing department the ability to provide storm water services for the collection treatment, storage or disposal of storm water.

Thirty days after the filing of an ordinance pursuant to section 3-7-17 NMSA 1978, the storm

water service will be implemented, if no appeals are filed.

The ordinance must be published in six public places within the municipality, which includes a newspaper of general circulation in the municipality. A person who is a resident of the municipality and is registered to vote under the Election Code will be considered as a qualified elector and will be permitted to vote on the Storm Water service ordinance.

PERFORMANCE IMPLICATIONS

NA

ADMINISTRATIVE IMPLICATIONS

NA

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

NA

TECHNICAL ISSUES

SB7 includes the definition of a “governing body” as the city council or city commission of a city, the board of trustees of a town or village, the council of incorporated counties and the board of county commissioners of H class counties however, the constitution amendment that passed November 2024; “county commission to set the salaries of county officers” overrides statute 4-44-2, NMSA 1978, which requires the classification of all counties by the Local Government Division. Therefore, county H will no longer be identified.

OTHER SUBSTANTIVE ISSUES

NA

ALTERNATIVES

NA

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NA

AMENDMENTS