

LFC Requester:	Hilla
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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}

Date Prepared: 1/23/2025 *Check all that apply:*
Bill Number: SB7 Original Correction
 Amendment Substitute

Sponsor: Sharer **Agency Name and Code:** Municipal League (ML)
Short Title: Storm Water Service as a Municipal Utility **Number:** _____
Person Writing: Jacob Rowberry
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SECTION II: FISCAL IMPACT

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
Indeterminate	Indeterminate	Indeterminate	Recurring	Municipalities

(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	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Recurring	Municipalities

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 7 authorizes municipalities to acquire, operate, and maintain a municipal utility for storm water. SB7 also allows municipalities to impose a fee on persons owning or controlling real property in the municipality for storm water service provided by the municipal utility. The municipality may require reasonable payment in advance or deposit for storm water service. SB7

allows for discontinuation of water service to enforce unpaid storm water utility fees, aligning with enforcement of other municipal utility services.

The existing definition of “municipality utility” is changed to include storm water facilities.

FISCAL IMPLICATIONS

Municipalities that choose to operate a municipal utility could generate revenue by imposing a just and reasonable storm water fee on persons owning or controlling real property in the municipality. It is unknown how many municipalities would pursue operating a storm water municipal utility and what the imposed storm water fee would be. As a point of reference, the city of Santa Fe has a monthly residential storm water utility service charge of \$5.50 and a monthly commercial storm water utility service charge fee schedule based on meter size.

Municipalities opting to operate a storm water municipal utility could incur costs associated with the administration, operation, and maintenance of the storm water municipal utility. The administrative and operational costs are indeterminate at this time, and additional research would be needed to estimate.

Municipalities that set up stormwater utilities may also be eligible for additional state or federal funding through grant or loan programs for stormwater management.

SIGNIFICANT ISSUES

Storm water management is currently an unfunded mandate for municipalities, often relying on general funds to cover costs. SB7 enables municipalities to create a dedicated funding stream for the operations and maintenance of storm water infrastructure through charging reasonable storm water fees.

While some municipalities (i.e., home rule municipalities) may already have the authority to charge for storm water management, SB7 codifies this language in state statute to ensure clarity and promote statewide consistency for municipalities.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS