

**LFC Requester:****Austin Davidson****AGENCY BILL ANALYSIS - 2025 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 2/13/2025*Check all that apply:***Bill Number:** SB 342Original  Correction Amendment  Substitute 

**Sponsor:** Sens. George K. Munoz & Elizabeth "Liz" Stefanics

**Agency Name and Code Number:** Office of the State Engineer 550

**Person Writing Analysis:** Jerri L. Pohl

**Short Title:** Brackish Water Projects Funding

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**Phone:** 7848 **Email:** Jerri.pohl@ose.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

| Appropriation |          | Recurring or Nonrecurring | Fund Affected |
|---------------|----------|---------------------------|---------------|
| FY25          | FY26     |                           |               |
| NFI           | \$70,000 | Recurring                 | General       |
|               |          |                           |               |

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |      |      | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY25              | FY26 | FY27 |                           |               |
| NFI               | NFI  | NFI  | N/A                       | N/A           |
|                   |      |      |                           |               |

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

|              | FY25 | FY26  | FY27  | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|-------|-------|-------------------|---------------------------|---------------|
| <b>Total</b> | NFI  | \$300 | \$300 | \$600             | Recurring                 | General       |

(Parenthesis ( ) Indicate Expenditure Decreases)

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

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

This bill seeks a \$70,000,000 annual appropriation for five years from General Fund to assist the public with the development of brackish water resources in the state to support private/public industries and public utilities with an alternative water supply.

Section 1 of this bill requires the New Mexico Environment Department to promulgate rules for the use of naturally occurring brackish water for water projects specified in Section 2 of this act.

Section 2 seeks to appropriate fifty million dollars (\$50,000,000) from the general fund in fiscal years 2026 through 2030 to the Office of the State Engineer for planning, design, administration and matching federal, private and public water utility funds for brackish water use exploration, treatment and aquifer characterization water projects to benefit the Lower Rio Grande, middle Rio Grande, Permian basin and northwest quadrant of the state with any unexpended or unencumbered balance remaining at the end of fiscal year 2030 to revert back to the general fund.

Section 3 seeks to appropriate sixteen million dollars (\$16,000,000) from the general fund to the board of regents of the New Mexico Institute of Mining and Technology for expenditure in fiscal years 2026 through 2030 for innovation, research, monitoring, support, and development of technology associated with water projects pursuant to Section 2 of this act and for aquifer monitoring and improved ground water characterization with any unexpended or unencumbered balance remaining at the end of fiscal year 2030 to revert back to the general fund.

Section 4 seeks to appropriate four million dollars (\$4,000,000) from the general fund to the board of regents of New Mexico State University for expenditure in fiscal years 2026 through 2030 for the innovation, research, monitoring, support, and development of technology associated with water projects pursuant to Section 2 of this act with any unexpended or unencumbered balance remaining at the end of fiscal year 2030 to revert back to the general fund.

#### **FISCAL IMPLICATIONS**

To carry out the duties described in Section 2 of this bill, the Office of the State Engineer will require the hiring of up to two full-time employees with one possibly possessing a professional engineering license. This cost is anticipated to be approximately \$300,000 per year.

#### **SIGNIFICANT ISSUES**

None identified.

#### **PERFORMANCE IMPLICATIONS**

None identified

## **ADMINISTRATIVE IMPLICATIONS**

None identified

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This bill relates to and conflicts with House Bill 137, the Strategic Water Supply Act insofar as both seek to establish paths toward developing brackish water resources, but with distinct approaches.

## **TECHNICAL ISSUES**

The definition of “brackish water” in Section 1 does not appear to apply to use of the same term in Section 2.

## **OTHER SUBSTANTIVE ISSUES**

The bill calls out some areas of the state where this funding may be utilized and not the entire state.

## **ALTERNATIVES**

Make the funding in Section 2 available for projects across the entire state of New Mexico.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If not enacted, and if HB137 is not enacted and funded, there will be a shortfall in needed funding to advance the quantification, characterization and utilization of the state’s brackish water resources.

## **AMENDMENTS**

None proposed.