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# FISCAL IMPACT REPORT

			LAS	T UPDATED		
SPONSOR Cates/Ferrary		/Ferrary	ORIGINAL DATE		1/23/25	
·-		_		BILL		
SHORT TITLE		Prohibiting Nonfunctional Turf Installa	ation	NUMBER	House Bill 85	
				<b>ANALYST</b>	Davidson	

# **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\***

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMED	No fiscal impact			50	Recurring	General Fund
Total	No fiscal impact			\$0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

#### Sources of Information

LFC Files

Agency Analysis Received From New Mexico Environment Department Office of the State Engineer

#### SUMMARY

# Synopsis of House Bill 85

House Bill 85 (HB85) creates a new statute that would prohibit the installation of nonfunctional turf on all state-owned or state-funded property beginning January 1<sup>st</sup>, 2027. The bill requires that, after January 1<sup>st</sup>, 2032, existing nonfunctional turf on state-owned or state-funded property only be irrigated with recycled or reclaimed water and that nonfunctional turf removed from state-owned or state-funded property be replaced with drought- and climate-resilient landscaping.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

### FISCAL IMPLICATIONS

HB85 would have no fiscal impact through FY27. However, analysis from the New Mexico Environment Department (NMED) notes that, due to the requirement that existing nonfunctional turf be irrigated with reclaimed or recycled water after January 1<sup>st</sup>, 2032, the bill could increase

<sup>\*</sup>Amounts reflect most recent analysis of this legislation.

### **House Bill 85 – Page 2**

the workload of its Ground Water Quality Bureau, specifically its Pollution Prevention Section. NMED's Ground Water Quality Bureau is tasked with permitting the use of reclaimed wastewater; the Pollution Prevention Section further processes these permits. NMED predicts that the requirements set out in HB85 would, beginning in FY28 and FY29, require the Ground Water Quality Bureau and Pollution Prevention Section to process an additional 20-30 reclaimed wastewater end-user permits per year. NMED estimates that this increase would require additional FTE costing around \$250 thousand annually by 2032.

NMED notes that transitioning state-owned and state-funded property to xeriscaping could reduce water usage and, subsequently, water utility bills by between 50 and 70 percent.

# SIGNIFICANT ISSUES

NMED notes that not all local government entities that would be affected by HB85 own or operate water treatment systems capable of treating wastewater for landscape irrigation use. Upgrading water systems capable of treating wastewater for landscape irrigation use requires "purple pipe" infrastructure for all properties using the treated wastewater, which, according to agency analysis, can cost between \$50 to \$250 per linear foot of line, translating to an average cost of \$792 thousand per mile. NMED also notes that the costs associated with updating the infrastructure would likely fall on the local government entity.

NMED states that operation of upgraded water treatment systems would also require employing water treatment operators with higher level credentials, a labor force already in short supply in New Mexico.

# CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB85 is similar to House Bill 352 from the 2024 legislative session, though HB85 does not require counties and municipalities to create a penalty for not following the new statute. House Bill 352 also applied to all nonfunctional turf on nonresidential property, whereas HB85 specifically applies to nonfunctional turf on state-owned and state-funded property. HB85 also moves the timeline prohibiting new installation and removal.

AD/rl/SL2