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## FISCAL IMPACT REPORT

SPONSOR Ortez LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 1/23/25  
SHORT TITLE Water Quality Construction Projects BILL \_\_\_\_\_  
Funding NUMBER House Bill 92  
ANALYST Davidson

### APPROPRIATION\* (dollars in thousands)

| FY25 | FY26       | Recurring or Nonrecurring | Fund Affected |
|------|------------|---------------------------|---------------|
|      | \$10,000.0 | Nonrecurring              | General Fund  |

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
New Mexico Environment Department

## SUMMARY

### Synopsis of House Bill 92

House Bill 92 appropriates \$10 million from the general fund to the Environment Department for the purpose of work related to river, stream, wetland, and surface water quality improvement.

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

The appropriation of \$10 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

## SIGNIFICANT ISSUES

An August 2024 LFC program evaluation<sup>1</sup> notes that government entities across New Mexico

<sup>1</sup>

[https://www.nmlegis.gov/Entity/LFC/Documents/Program\\_Evaluation\\_Reports/ALFC%20082024%20Item%2011](https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/ALFC%20082024%20Item%2011)

are reporting \$5.7 billion in future water and wastewater infrastructure needs, and issues with a complex request and funding system create issues for communities applying for funding. The report further notes that many New Mexico water systems are also having issues with basic operating practices, as shown by audit noncompliance and a lack of asset management plans, which limits access to funding and prevents effective long-term repairs and replacements

AD/hj/hg