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FISCAL IMPACT REPORT

ORIGINAL DATE 2/14/15
SPONSOR Campos **LAST UPDATED** _____ **HB** _____

SHORT TITLE Dry Community Emergency Fund **SB** 396

ANALYST Chenier

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Homeland Security and Emergency Management (DHSEM)

SUMMARY

Synopsis of Bill

Senate Bill 396 would create the dry community emergency fund, administered by DHSEM. If all money in the fund is depleted during the fiscal year, the governor may declare an emergency and replenish the fund with up to \$200 thousand from surplus unappropriated money in the general fund, if any.

Senate Bill 396 appropriates \$200 thousand from the general fund to the dry community emergency fund to assist any area of the state suffering a loss of access to water due to an emergency.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 and subsequent years shall revert to the general fund.

The bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provision for newly created funds as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

DHSEM provided the following:

Over the years during water emergencies, the Department has worked with the New Mexico National Guard to haul water, using trucks. As of today, there are limited resources regarding water-hauling vehicles, and it is not practical to continue to rely on this method in the future.

DHSEM currently has an executive order for Emergency Water Hauls. This Executive Order has been re-budgeted every year since inception and has worked very well. However a dedicated fund for this emergency would be ideal and would remove obstacles that are necessary when using the National Guard.

TECHNICAL ISSUES

The phrase “from the surplus unappropriated money in the general fund” on page 2, lines 23-24 should be defined.

EC/bb/je