

1 SENATE BILL 63

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 Carroll H. Leavell

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9  
10 AN ACT

11 RELATING TO PUBLIC SAFETY; ESTABLISHING AN ANNUAL DISTRIBUTION  
12 FROM THE WATER PROJECT FUND TO THE CARLSBAD BRINE WELL  
13 REMEDIATION FUND FOR REMEDIATION OF THE CARLSBAD BRINE WELL;  
14 PROVIDING A TIME LIMIT ON THE DISTRIBUTION OF FUNDS; MAKING AN  
15 APPROPRIATION.

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17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. Section 72-4A-9 NMSA 1978 (being Laws 2001,  
19 Chapter 164, Section 9, as amended) is amended to read:

20 "72-4A-9. WATER PROJECT FUND--CREATED--PURPOSE.--

21 A. The "water project fund" is created in the New  
22 Mexico finance authority and shall consist of distributions  
23 made to the fund from the water trust fund and payments of  
24 principal of and interest on loans for approved water projects.  
25 The fund shall also consist of any other money appropriated,

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1 distributed or otherwise allocated to the fund for the purpose  
2 of supporting water projects pursuant to provisions of the  
3 Water Project Finance Act. The fund shall be administered by  
4 the authority. Income from investment of the water project  
5 fund shall be credited to the fund. Balances in the fund at  
6 the end of any fiscal year shall not revert to the general  
7 fund. The water project fund may consist of such subaccounts  
8 as the authority deems necessary to carry out the purposes of  
9 the fund. The authority may establish procedures and adopt  
10 rules as required to administer the fund and to recover from  
11 the fund costs of administering the fund and originating grants  
12 and loans. Ten percent of all water project funds shall be  
13 dedicated to the state engineer for water rights adjudications,  
14 and twenty percent of the money dedicated for water rights  
15 adjudications shall be allocated to the administrative office  
16 of the courts for the courts' costs associated with those  
17 adjudications.

18 B. Money in the water project fund may be used to  
19 make loans or grants to qualified entities for any project  
20 approved by the legislature and for water rights adjudications.

21 C. The authority is authorized to issue revenue  
22 bonds payable from the proceeds of loan repayments made into  
23 the water project fund upon a determination by the authority  
24 that issuance of the bonds is necessary to replenish the  
25 principal balance of the fund. The net proceeds from the sale

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1 of the bonds shall be deposited in the water project fund. The  
2 bonds shall be authorized and issued by the authority in  
3 accordance with the provisions of the New Mexico Finance  
4 Authority Act.

5 D. On July 1 of fiscal years 2019, 2020 and 2021, a  
6 distribution shall be made from the water project fund to the  
7 Carlsbad brine well remediation fund in the amount of one  
8 million five hundred thousand dollars (\$1,500,000) for  
9 remediation of the Carlsbad brine well to prevent brine  
10 infiltration into the fresh water aquifer. The distribution  
11 shall be made after ten percent of all water project funds have  
12 been dedicated to the state engineer for water rights  
13 adjudications and prior to the use of water project funds for  
14 loans or grants. In any year that the balance in the water  
15 project fund after dedicating funds to the state engineer is  
16 less than one million five hundred thousand dollars  
17 (\$1,500,000), the balance remaining in the fund shall be  
18 distributed to the Carlsbad brine well remediation fund."