

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

**BILL NUMBER:** House Bill 183

**SHORT TITLE:** Statewide Drinking Water Needs

**SPONSOR:** Zamora

**LAST UPDATE:** ORIGINAL **DATE:** 1/28/26 **ANALYST:** Davidson

### APPROPRIATION\* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$5,000.0	Nonrecurring	General Fund

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 122

### Sources of Information

LFC Files

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

### SUMMARY

#### Synopsis of House Bill 183

House Bill 183 (HB183) appropriates \$5 million from the general fund to the Environment Department (NMED) for the purpose of drinking water needs statewide, including private well testing and water filtration systems.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

### FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

An August 2024 LFC program evaluation notes that government entities across New Mexico are reporting \$5.7 billion in future water and wastewater infrastructure needs, and a complex request and funding system create issues for communities applying for funding. The report further notes many New Mexico water systems are also having issues with basic operations, 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.

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

House Bill 183 is similar to Senate Bill 122, which also NMED for water infrastructure projects.

AD/sgs/hg/sgs