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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 122

SHORT TITLE: Private Drinking Water Well Owner Support

SPONSOR: Campos

LAST UPDATE: _____ **ORIGINAL DATE:** 1/27/26 **ANALYST:** Davidson

APPROPRIATION*
(dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$6,000.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
New Mexico Environment Department

SUMMARY

Synopsis of Senate Bill 122

Senate Bill 122 (SB122) appropriates \$6 million from the general fund to the New Mexico Environment Department for the purpose of expanding support to owners of private drinking water wells, such as well water testing and treatment.

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 \$6 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund.

Analysis by the New Mexico Environment Department (NMED) noted the agency has the necessary capacity to support private well sampling, testing and treatment and does not anticipate any additional personnel needed to utilize the funding.

SIGNIFICANT ISSUES

NMED noted it has a relatively limited role in water quality testing for private drinking water wells, though private well owners are able to bring samples for testing at NMED field offices. NMED has noted beyond its current regulatory capacity for regulation of private drinking water wells, it has been able to increase its ability to provide services to residents in contaminated areas.

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 issues with 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 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.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 183 is similar to Senate Bill 122, both being appropriations to NMED for water infrastructure projects.

OTHER SUBSTANTIVE ISSUES

NMED noted current testing being done by the department in Curry County:

Outside of Cannon Air Force Base, residents relying on private wells are impacted by per- and polyfluoroalkyl substances (PFAS) contamination in the groundwater. In Fall 2024, New Mexico offered free PFAS blood testing to adults who lived or worked near Cannon Air Force Base. Additionally, in the 2025 session, the Legislature appropriated \$12 million to support an extension from the water system serving Clovis to these impacted residents. In the meantime, NMED is also offering water sampling and PFAS testing to residents and providing filters when those tests show levels above drinking water standards. After a Fall 2025 report funded by Santa Fe County identified PFAS contamination in groundwater, NMED is also offering water sampling for PFAS testing and treatment to private well owners in the La Cieneguilla community. The filter installations in Curry County and La Cieneguilla range from \$5,000 to \$10,000 each.

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