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FISCAL IMPACT REPORT

SPONSOR Stewart **DATE TYPED** 2/17/04 **HB** 347/aHENRC/aH AFC

SHORT TITLE Water Trust Board Duties **SB** _____

ANALYST Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
NFI					NFI

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of H AFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 347 strikes the HENRC amendment in its entirety and amends language in §72-4A-4 NMSA 1978 (Laws 2001, Chapter 164 Section 4) to allow the following water trust board members to appoint designees to represent them on the board: State Engineer, New Mexico Finance Authority Director, Environment Department Secretary, Department of Finance and Administration Secretary, Game and Fish Department Director, and Agriculture Department Director.

The H AFC amendment also adds language to §72-4A-4A(e) to require the soil and water conservation district public member to be an elected member of a soil and water conservation district.

Synopsis of HENRC Amendment

The House Energy and Natural Resources Committee amendment increases the membership of the Water Trust Board to 19 members to include the executive director of the Soil and Water Conservation districts, or the director's designee.

Synopsis of Original Bill

House Bill 347 amends sections of the Water Project Finance Act, provides for members of the Water Trust Board, removes the Drought Strike Team from the Water Trust Board duties; and allows for appropriations and donations to be made to the Water Project Fund.

Significant Issues

The 2001 Legislature enacted the Water Project Finance Act establishing a Water Trust Fund Program, a Water Project Fund and a Water Trust Board. The purpose of the program is to provide grants and loans to political subdivisions and to provide for long-range planning and financing of regional and statewide water supply projects. The Water Trust Board consists of 15 members who approve all grants and loans made to qualified entities.

House Bill 347 expands the Water Trust Board members from 15 to 18 members to include the secretary of the Department of Finance and Administration two public members, appointed by the governor and confirmed by the senate. One public member shall represent public water systems with more than five hundred connections, and the other member shall represent public water systems with 500 or fewer connections. The bill also specifies that designees shall not serve on the board except for designees of the executive directors of the New Mexico Municipal League and the Association of Counties, and the president's designee of the Navajo Nation.

The bill removes the "drought strike team" from the duties of the Water Trust Board. The drought strike team was originally created to address the state's drought-related issues. The bill provides that the distribution of funds to the Water Project Fund may include appropriations and donations.

LMK/RLG/prr:dm