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FISCAL IMPACT REPORT

SPONSOR Rainaldi DATE TYPED 2/22/05 HB _____

SHORT TITLE Gallup Water Reclamation Study SB 774

ANALYST Hadwiger

APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB725.

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	See Narrative		Non-Recurring	Federal Bureau of Reclamation

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

Department of Environment (NMED)

SUMMARY

Synopsis of Bill

Senate Bill 774 appropriates \$500,000 from the general fund to the Department of Environment for the purpose of matching federal funds for a water reclamation study in Gallup.

Significant Issues

The bill notes that, if successful, the water reclamation study would result in the first project in the nation to reclaim up to 90% of municipal water supply and provide a model to implement in municipalities statewide.

Gallup is currently withdrawing more water from the aquifer than is being returned. This is depleting the aquifer and reducing the availability of this drinking water source for Gallup in the future. SB774 will provide money for a study to evaluate how municipal water can be reclaimed and re-used to provide a sustainable source of water. The federal funding source for this state match will come from the Bureau of Reclamation.

FISCAL IMPLICATIONS

The appropriation of \$500,000 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

DH/lg