

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

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/19/07

SPONSOR Payne LAST UPDATED _____ HB _____

SHORT TITLE ALBUQUERQUE-BERNALILLO WATER CONDEMNATIONS SB 1042

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Bill 1042 gives the Albuquerque-Bernalillo county water authority the additional right to operate water and wastewater facilities, acquire privately owned water or wastewater facilities by a purchase agreement and not by condemnation.

SIGNIFICANT ISSUES

SB 1042 would allow the Albuquerque – Bernalillo County Water Utility Authority to purchase existing privately held water and wastewater utilities at a purchase price determined by the market or as determined by such entities. The current statute gives the Authority the option of condemnation if all other purchase options have been exhausted. Ultimately the consumers would subsidize the cost of all infrastructure and utility improvements bonds, and acquisitions to receive the same service.

The Office of the State Engineer notes that the amendments to § 72-1-10 are intended to prohibit the Authority from acquiring a privately owned water or wastewater facility by condemnation. The amendments also remove the Authority's jurisdiction over privately owned water and wastewater facilities that are interconnected to the utility system. In addition, the amendments clarify that the Authority may operate water and wastewater facilities.

WEP/nt