

LFC Requester:	Helen Gaussoin
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/24/24
Bill No: SB 185

Sponsor: Rep. Susan K. Herrera, Rep. Matthew McQueen, Rep. Gail Armstrong, Rep. Willie D. Madrid, & Rep. Anthony Allison
Short Title: Water Project Fund

Agency Name and Code Number: Office of the State Engineer 550
Person Writing: Richard A. Allen
Phone: 505-570-7754 **Email:** rick.allen@ose.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
NFI	150,000	Non-recurring	General

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
NFI	150,000	NFI	Non-recurring	Water Project Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 1, HB 201
Duplicates/Relates to Appropriation in the General Appropriation Act None known

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

This bill would make a one-time non-recurring appropriation of one hundred and fifty million dollars (\$150,000,000.00) to capitalize the existing statutory Water Project Fund created in the New Mexico Finance Authority. The statutory purpose of this fund is to make loans or grants to qualified entities for water resource and water infrastructure projects pursuant to the provisions of the Water Project Finance Act (WPFA) including water rights adjudications.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

This bill would have a direct fiscal impact of significantly increasing volume of funding available to allocate to statewide WPFA projects. It could result in a corresponding minor indirect fiscal and operational impact lasting one or more years for the entities involved in the awarding and management of the increased volume of projects. Impacted entities include the Water Trust Board, the New Mexico Finance Authority, and those agencies which provide technical project review assistance under the WPFA. It would also increase the amount funding available for distribution to the Office of the State Engineer and the Administrative Office of the Courts for water rights adjudications.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

This bill would result in administrative implications lasting one or more years primarily for the

Water Trust Board and the New Mexico Finance Authority through management of the increased volume of projects.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 1 would transfer a lesser amount, one hundred million dollars (\$100,000,000.00) from the general fund to the Water Trust Fund, a related but separate fund, which would not alter the amount of funding distributed to the Water Project Fund for projects. (Compare § 72-4A- 8 with § 72-4A-9.)

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There will not be an addition of funds to the Water Project Fund to support additional water projects.

AMENDMENTS

None