

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

## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Correa Hemphill</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>01/24/2024</u>
<b>SHORT TITLE</b> <u>Protect State Waters</u>	<b>BILL NUMBER</b> <u>Senate Bill 111</u>
	<b>ANALYST</b> <u>Wan Smith</u>

### APPROPRIATION\* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$840.0	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

### REVENUE\* (dollars in thousands)

Type	FY24	FY25	FY26	FY27	FY28	Recurring or Nonrecurring	Fund Affected
Penalties		Up to \$50.0	Up to \$100.0	Up to \$100.0	Up to \$100.0	Recurring	General Fund

Parentheses ( ) indicate revenue decreases.  
\*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMED	No fiscal impact	Up to \$600.2	Up to \$600.2	\$1,200.4	Recurring	General Fund
Total	No fiscal impact	Up to \$600.2	Up to \$600.2	\$1,200.4	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Environment Department

## SUMMARY

### Synopsis of Senate Bill 111

Senate Bill 111 appropriates \$840 thousand from the general fund to the Environment Department (NMED) for the purposes of protecting water in the state through additional

monitoring and enforcement of existing regulations and conducting mapping to better understand how changes to the federal Clean Water Act of 1977 affect water in the state.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

## **FISCAL IMPLICATIONS**

The appropriation of \$840 thousand contained in this bill is a recurring expense to the general fund, due to the need to create new FTE to fulfill the intent of the legislation. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund. NMED expects to hire 3 to 4 FTE, at a minimum annual expense of \$600.2 thousand, to implement the increased regulatory enforcement required by SB111.

Penalties collected for clean water violations are deposited in the general fund. NMED reports that expanding enforcement efforts will generate additional penalty revenue of \$50 thousand in FY25 and \$100 thousand in FY26.

## **SIGNIFICANT ISSUES**

To fulfill the purposes of SB111, NMED would hire one water resource manager II and three water resource professional IIIs. The agency states that if existing staff were expected to complete the additional monitoring and enforcement, current work would be placed on hold.

## **PERFORMANCE IMPLICATIONS**

Expanded enforcement, monitoring, and mapping resources would be expected to improve NMED's inspection and compliance rates in the programs that deal with Clean Water Act regulations.

CW/rl/ne/al