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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 310

SHORT TITLE: Mora Water & Sewage Improvements

SPONSOR: Campos

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/5/26 **ANALYST:** Davidson

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$1,100	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 2

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
New Mexico Environment Department

SUMMARY

Synopsis of Senate Bill 310

Senate Bill 310 (SB310) appropriates \$1.1 million from the general to the New Mexico Environment Department (NMED) for the purpose of the planning, design, and construction of improvements to the Mora mutual domestic water system.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$1.1 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

NMED analysis notes that without carving out a portion of the appropriation for the agency to use for oversight and contract management, the agency worries it will have to add additional work to existing operations. This could impact implementation of the funding and the projects.

SIGNIFICANT ISSUES

NMED's role regarding the planning, design, and construction of water systems is as a regulator who can also provide technical assistance, not principally as the direct lead of such a project. Due to SB 310 assigning direct responsibility for the planning, design, and construction of Mora's mutual domestic water system, NMED points to this possibly impeding on the agency's independent enforcement role. NMED notes local governments and utilities are more traditionally given direct responsibility for project implementation.

NMED suggests the funding be provided directly to the Mora utility or for the utility to apply for funding through more established mechanisms for water project funding, such as the water projects fund or the drinking water state revolving fund.

AD/SEC/dw