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FISCAL IMPACT REPORT

SPONSOR:	Taylor, J.G.	DATE TYPED:	01/24/00	HB	140
SHORT TITLE:	Emergency Water & Wastewater Projects			SB	
				ANALYST:	Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Fiscal Implications			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)

LFC Files

SUMMARY

Synopsis of Bill

House Bill 140 would allow the NMFA to make a limited number of emergency water and wastewater project grants of up to \$3 million without prior legislative authorization.

Significant Issues

The current statute specifically requires that grants must receive prior legislative authorization before NMFA can approve or disburse a grant.

If House Bill 140 is enacted, the three criteria necessary to meet "emergency" eligibility include the following:

- An unforeseen occurrence or circumstance threatening public health, safety or welfare is required.
- A situation requiring the immediate expenditure of funds; and
 - An applicant without available financial resources.

The 1999 Legislature created the Water and Wastewater Project Grant Program within the NMFA that currently allows the NMFA to award grants for water and wastewater projects. The funds for the program are derived from the net proceeds of the sale of bonds authorized by law and payable from governmental gross receipts tax. The grant fund is also authorized to receive money appropriated by the legislature as well as other public or private money dedicated to the fund.

The NMFA Oversight Committee approves the rules and regulations governing this program. According to NMFA, House Bill 140 would provide NMFA with the flexibility to assist with emergency public projects.

FISCAL IMPLICATIONS

There would be no fiscal impact to the general fund. In addition, the grant fund is created outside the Public Project Revolving Loan Fund (PPRF) and will not reduce the capacity of the NMFA to make loans from the PPRF.

ADMINISTRATIVE IMPLICATIONS

The grant fund is administered by NMFA.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

Relates to House Bill 141 which authorizes projects for funding from the Water and Wastewater Project Grant Fund.

POSSIBLE QUESTIONS

- Is there a limit on the maximum amount of grant funding available for any one project?
- Has the NMFA already encountered situations requiring emergency funding?
- What role would the NMFA Legislative Oversight Committee have in approving the grants?

LMK/gm