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## FISCAL IMPACT REPORT

SPONSOR: Taylor, J. G.                      DATE TYPED: 01/31/01    HB 162

SHORT TITLE: Drinking Water System Financing Appropriation    SB \_\_\_\_\_

ANALYST: L. Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 1,572,660			Recurring	General Fund

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ 1,572,660		Recurring	DWRL

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to \_\_\_\_\_

### SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)  
LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 162 appropriates \$1,572,660 from the General Fund to the Drinking Water State Revolving Loan Fund (DWRLF) for the purpose of carrying out the Drinking Water State Revolving Loan Fund Act.

Significant Issues

The New Mexico Drinking Water state Revolving Loan Fund Act was enacted by the 1997 Legislature in response to the reauthorization of the federal Safe drinking Water Act (SDWA). The reauthorization requires the Environmental Protection Agency (EPA) to make capitalization grants to states over the next several years to further the health objectives of SDWA. The act charged the NMFA with establishing, in cooperation with the Environment Department, a loan program to provide local authorities with low-cost financial assistance in the construction of necessary drinking water facilities. The act created the DWRLF which is administered by the NMFA.

House Bill 162 provides the 20% state match requirement for a federal capitalization grant of \$7,806,300 for the state's DWRLF.

**FISCAL IMPLICATIONS**

The appropriation of \$1,572,660, or some similar amount, contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

**POSSIBLE QUESTIONS**

1. Should the bill be amended to reflect that the appropriation from the general fund is a state match for a federal capitalization grant?

LMK/sb