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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/10

SPONSOR McSorley LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Review Albuquerque-Bernalillo Water Authority SJM 17

ANALYST Pava

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance & Administration (DFA)

Local Governments Division (LGD)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 17 requests the Local Government Division of the DFA, the City of Albuquerque and Bernalillo County to convene a group of agency and citizen stakeholders to review the Albuquerque-Bernalillo County Water Utility Authority for the purpose of making recommendations to the legislature by August 1, 2010.

The Albuquerque- Bernalillo County Water Utility Authority was created in 2003 by Section 72-1-10 NMSA 1978. Sufficient time has passed to enable a productive review. In 2009, during the first session of the forty-ninth legislature, another region applied for designation as a public works authority and sought sweeping privileges. It is appropriate for the state's largest population center to consider such an arrangement that could conserve and preserve the state's precious water supplies.

### FISCAL IMPLICATIONS

There is no appropriation or fiscal impact.

## **SIGNIFICANT ISSUES**

DFA indicates the following:

In 2003, the legislature created the Authority under Section 72-1-10 as a political subdivision of the state.

Similar legislation under Senate Joint Memorial 54 was introduced during the 2009 Regular Session. SJM 54 unanimously passed the Senate Floor and the House Health and Government Affairs Committee (HHGAC), but action was postponed indefinitely.

It is important to note that the HHGAC amendment changed the report date from August 1, 2009 to October 1, 2009.

The Authority already has an established Customer Advisory Committee that is made up of a cross section of the Authority's customer base. It reviews all policies and makes recommendations to the governing board. This committee meets monthly and could represent the "group of agency and citizen stakeholders" referred to in SJM17.

## **PERFORMANCE IMPLICATIONS**

Coordinating and conducting the review could be time consuming and may be difficult to complete by August 1, 2010. Between June and September, the DFA-LGD budget analysts are statutorily charged with the responsibility of reviewing and certifying local governments' budgets (Section 6-6-2), as well as processing property tax valuations to determine property tax mill levy rates for the upcoming tax year (Section 7-38-33).

## **ADMINISTRATIVE IMPLICATIONS**

Existing LGD staff would incur the additional duties of conducting the review of the Authority. However, LGD may need to assign budget analyst(s) the responsibility of coordinating and conducting the review during extremely busy periods whose schedule is determined by deadlines in state statute.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If SJM17 is not enacted, the effectiveness of the existing public works authority is indeterminate for considering any future such authorities.

## **AMENDMENTS**

LGD suggests a completion date of October 1, 2010 in order not to conflict with budgeting and property tax statutory deadlines discussed under the Performance Implications section of this analysis.

LGD suggests that the language "a group of agency and citizen stakeholders" be replaced with "the Albuquerque-Bernalillo County Water Utility Authority's Customer Advisory Committee".