

HOUSE AGRICULTURE AND WATER RESOURCES
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 241

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO THE WATER PROJECT FUND; PROVIDING THAT ~~SCONC~~→, **FOR**
A LIMITED PERIOD OF TIME, ←~~SCONC~~ TEN PERCENT OF AVAILABLE WATER
PROJECT FUNDS BE DEDICATED TO PROJECTS THAT SERVE
~~SCONC~~→ **CERTAIN** ←~~SCONC~~ MUTUAL DOMESTIC WATER ASSOCIATIONS
~~SCONC~~→ **WITH FEWER THAN THREE HUNDRED SERVICE CONNECTIONS** ←~~SCONC~~.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

.219855.1AIC March 10, 2021 (4:44pm)

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SECTION 1. Section 72-4A-9 NMSA 1978 (being Laws 2001, Chapter 164, Section 9, as amended) is amended to read:

"72-4A-9. WATER PROJECT FUND--CREATED--PURPOSE.--

A. The "water project fund" is created in the New Mexico finance authority and shall consist of distributions made to the fund from the water trust fund and payments of principal of and interest on loans for approved water projects. The fund shall also consist of any other money appropriated, distributed or otherwise allocated to the fund for the purpose of supporting water projects pursuant to provisions of the Water Project Finance Act. The fund shall be administered by the authority. Income from investment of the water project fund shall be credited to the fund. Balances in the fund at the end of any fiscal year shall not revert to the general fund. The water project fund may consist of such subaccounts as the authority deems necessary to carry out the purposes of the fund. The authority may establish procedures and adopt rules as required to administer the fund and to recover from the fund costs of administering the fund and originating grants and loans. Ten percent of all water project funds shall be dedicated to the state engineer for water rights adjudications, and twenty percent of the money dedicated for water rights adjudications shall be allocated to the administrative office of the courts for the courts' costs associated with those adjudications. ~~SCONC~~**Ten**~~SCONC~~

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SCONC→**B.** Prior to July 1, 2025, ten←SCONC percent of the annual available water project funds shall be dedicated to grants for qualifying water projects that serve mutual domestic water associations SCONC→with fewer than three hundred service connections←SCONC . Such grants for mutual domestic water associations shall not require a matching contribution, and mutual domestic water associations shall not be required to be part of an accepted regional water planning area to be eligible. Mutual domestic water association grant recipients shall be required to obtain all requisite state and federal permits and authorizations necessary as part of the grant authorization and may use the grant funds to acquire the required permits if approved. SCONC→Any dedicated funds remaining unspent on June 30, 2025 may be used pursuant to Subsection A of this section.←SCONC

SCONC→**B.**←SCONC SCONC→**C.**←SCONC Money in the water project fund may be used to make loans or grants to qualified entities for any project approved by the legislature and for water rights adjudications.

SCONC→**C.**←SCONC SCONC→**D.**←SCONC The authority is authorized to issue revenue bonds payable from the proceeds of loan repayments made into the water project fund upon a determination by the authority that issuance of the bonds is necessary to replenish the principal balance of the fund. The net proceeds from the sale of the bonds shall be deposited in

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the water project fund. The bonds shall be authorized and issued by the authority in accordance with the provisions of the New Mexico Finance Authority Act.

SCONC→~~D.~~←SCONC SCONC→~~E.~~←SCONC As used in this section, "mutual domestic water association" means a mutual domestic water consumers association or other association organized pursuant to the Sanitary Projects Act."