

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original  Amendment   
Correction  Substitute

Date 1/22/2024

Bill No: SB 95

Sponsor: C. Diamond; G. Armstrong; T. Jaramillo  
Short Title: T OR C WATER LINES

Agency Name and Code: DFA-Local Government Division: 341  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |          | Recurring or Nonrecurring | Fund Affected |
|---------------|----------|---------------------------|---------------|
| FY24          | FY25     |                           |               |
|               | 20,000.0 | Nonrecurring              | General Fund  |
|               |          |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |      |      | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24              | FY25 | FY26 |                           |               |
|                   |      |      |                           |               |
|                   |      |      |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

|              | <b>FY24</b> | <b>FY25</b> | <b>FY26</b> | <b>3 Year<br/>Total Cost</b> | <b>Recurring or<br/>Nonrecurring</b> | <b>Fund<br/>Affected</b> |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| <b>Total</b> |             |             |             |                              |                                      |                          |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Senate Bill 95 (SB 95) appropriates \$20 million to the Local Government Division (LGD) of the Department of Finance and Administration for expenditure in fiscal year 2024 through 2028. This appropriation is to plan, design, construct, replace and improve waterlines in Truth or Consequences (T or C) in Sierra County.

This bill has an emergency clause and would take effect immediately upon signature by the governor.

**FISCAL IMPLICATIONS**

SB 95 appropriates \$20 million from the general fund to LGD for expenditure in fiscal years 2024 through 2028. Any unexpended or unencumbered balance remaining at the end of fiscal year 2028 shall revert to the general fund.

**SIGNIFICANT ISSUES**

SB95 states that T or C has water line leaks that are causing the city to lose more than 20 million gallons of water or 43% of the city’s total water per year.

There are very few sources of infrastructure funding that allocate large amounts of funding that T or C needs to complete these emergency repairs. Additionally, the city does not have the capacity to bond this large of an amount. However, the NM Environment Department (NMED) has stated that Truth or Consequences has received \$1.6 million from Senator Martin Heinrich to complete the design of the waterline.

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

To distribute funding, LGD would need to enter into a grant agreement with Truth or Consequences to obligate funds and issue payment reimbursements for valid expenditures. The LGD would be tasked with ensuring the legal requirements of the grant agreement are met and that the funding is monitored throughout its life cycle.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB148 – Truth or Consequences is included on the list of water projects recommended for funding through the Mortgage Finance Authority from the water project fund.

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

The New Mexico Environment Department the expertise and the project management experience to manage water projects to include one of this size and scope.

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

## **AMENDMENTS**