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## FISCAL IMPACT REPORT

SPONSOR Zamora LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE \_\_\_\_\_  
SHORT TITLE Curry County Water Lines BILL NUMBER House Bill 390  
ANALYST Davidson

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$12,000	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

Duplicates Senate Bill 339

### Sources of Information

LFC Files

Agency Analysis Received From  
New Mexico Environment Department (NMED)

Agency Analysis was Solicited but Not Received From  
Office of the State Engineer (OSE)  
Department of Finance Administration (DFA)

## SUMMARY

### Synopsis of House Bill 390

House Bill 390 appropriates \$12 million from the general fund to New Mexico Environment Department for the purpose of planning, designing, constructing, replacing, and improving the water lines in Curry County.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The appropriation of \$12 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund.

Analysis from the New Mexico Environment Department (NMED) notes they would award the funding from the bill through a procurement process.

## **SIGNIFICANT ISSUES**

The state currently has existing tools to implement projects such as the one highlighted in House Bill 390. The state's drinking water state revolving fund provides funding for water infrastructure projects like the one proposed in the bill. Additionally, large amounts of federal funds are available to entities such as Curry County for use in water infrastructure projects. NMED analysis also foregrounds existing sources of infrastructure funding and notes that encouraging communities to use existing reserves of capital for infrastructure projects would aid in bolstering the state's water infrastructure.

Analysis from NMED notes the agency does not have the administrative or technical capacity to directly manage large-scale infrastructure projects. Agency analysis notes that because NMED serves as the regulatory authority for public water systems, taking on project related responsibilities could impact its regulatory duties. Therefore, the agency will go through the procurement process to find a contractor to implement the project.

NMED analysis further notes the bill could be amended to provide the funding directly to Curry County or the appropriate local public water system to administer the project.

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

House Bill 390 is a duplicate of Senate Bill 339.

AD/rl/SR