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AN ACT  
RELATING TO FINANCE; CREATING THE NEW MEXICO MATCH FUND;  
DECLARING AN EMERGENCY.

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

SECTION 1. A new section of the Department of Finance and Administration Act is enacted to read:

"NEW MEXICO MATCH FUND--CREATED--REPORTING.--

A. The "New Mexico match fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants and donations.

B. The department shall administer the fund, and money in the fund is appropriated to the department for the purposes of the fund. The department may use money in the fund to:

- (1) make grants to an eligible entity:
  - (a) for state matching funds for federal grants; and
  - (b) to offset higher project costs incurred to comply with federal requirements;

(2) make grants to an eligible entity that receives a grant pursuant to Subparagraph (a) of Paragraph (1) of this subsection to administer that grant; provided that a grant awarded pursuant to this paragraph shall not

1 exceed five percent of the combined total amount of the  
2 federal grant and state matching funds awarded to the  
3 eligible entity; and

4 (3) administer the fund; provided that the  
5 department shall use no more than three percent of the  
6 appropriation amounts received in the fund for the  
7 administration of the fund.

8 C. An eligible entity shall request the full  
9 amount of the state matching funds required by the federal  
10 grant.

11 D. A grant for state matching funds made pursuant  
12 to this section shall be contingent on the award of the  
13 federal grant for which the state matching funds are sought.

14 E. An eligible entity that requests funding to  
15 offset higher project costs incurred to comply with federal  
16 requirements shall submit proof to the department of project  
17 cost estimates with and without federal compliance.

18 F. Money in the fund shall only be expended upon  
19 review and approval of the department.

20 G. Disbursements from the fund shall be made by  
21 warrant of the secretary of finance and administration  
22 pursuant to vouchers signed by the secretary or the  
23 secretary's authorized representative.

24 H. The department shall report annually to the  
25 legislative finance committee and any other appropriate

1 interim committee no later than October 1 of each year on  
2 grants made from the fund.

3 I. As used in this section:

4 (1) "department" means the department of  
5 finance and administration; and

6 (2) "eligible entity" means a county, city,  
7 town or village; a drainage, conservancy, irrigation, soil  
8 and water conservation, water or sanitation district; a  
9 mutual domestic water consumers association; a public water  
10 cooperative association; a community ditch association; a  
11 public post-secondary educational institution; the state of  
12 New Mexico or any of its branches, agencies, departments,  
13 boards, instrumentalities or institutions; any other  
14 political subdivision of the state; or a federally recognized  
15 Indian nation, tribe or pueblo, the boundaries of which are  
16 located wholly or partially in New Mexico."

17 SECTION 2. EMERGENCY.--It is necessary for the public  
18 peace, health and safety that this act take effect  
19 immediately.

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