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FISCAL IMPACT REPORT

SPONSOR:	Cisneros	DATE TYPED:	02/09/00	HB	
SHORT TITLE:	Repayment of Acequia Rehabilitation Loans			SB	SJM63
				ANALYST:	Pickering

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HJM68.

SOURCES OF INFORMATION

Office of the State Engineer / Interstate Stream Commission (OSE/ISC)

SUMMARY

Synopsis of Bill

SJM63 requests ISC to ensure that loans continue to be available to acequias. The memorial also looks to ISC to provide guidelines for obtaining loans and assurances for the repayments of loans in order to preserve the capacity of acequia commissions to incur debt on behalf of the acequias.

Significant Issues

According to ISC, SJM63 addresses two significant issues for the commission: (1.) the ability to continue making financial assistance available to acequias through federal and state programs and, (2.) the ability to see that acequias repay loans and that adequate guarantees for repayment are in place pursuant to law.

FISCAL/ADMINISTRATIVE IMPLICATIONS

ISC reported no impact fiscally or administratively regarding the functions of its ongoing loan program.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

SJM63 duplicates HJM68.

SUBSTANTIVE ISSUES

In its bill analysis, ISC cited a 1964 Attorney General's opinion which stated that the commission "... must exercise banker's judgement in evaluating necessity of specific loans and repayment ability of applicants." Exercise of banker's judgement can include some of the following:

- evaluation of the need of the loan;
- payment history of the applicant on a previous loan;
- documentation of membership approval of ditch commission to obtain loan;
- amount of total assessments levied against parciantes, with and without the loan, in terms of dollars per year per acre of irrigated land;
- adequacy of project design and water supply;
- water use to grow crops that provide income or food for ditch members and;
- loan repayment assurances and documentation commensurate with loan amount and risk.

Additionally, ISC reported that if SJM63 is not passed, its loan program will continue as long as legislative appropriations allow.

RP/njw