

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/13

SPONSOR Gonzales LAST UPDATED 01/25/13 HB 9

SHORT TITLE Acequia & Community Ditch Fund SB _____

ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$150.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicate to SB 111

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)
New Mexico Acequia Association

SUMMARY

Synopsis of Bill

House Bill 9 appropriates \$150 thousand dollars from the general fund to the acequia and community ditch fund to carry out the purposes of the Acequia and Community Ditch Fund Act.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall not revert to the general fund.

SIGNIFICANT ISSUES

The NMDA cites that this appropriation will help restore some funding to the acequia community ditch fund due to past fiscal years' budget cuts, but funding needs will continue to outstrip availability. Increasing the funds by \$150 thousand dollars will assist ACDF grant recipients with their adjudication processes.

The New Mexico acequia association adds:

The purpose of the ACDF is to ensure that acequias have adequate legal representation and other resources for defending their water rights in the water right adjudication process. The ACDF is a recurring fund with an appropriation of \$500,000 in FY 2013.

Acequias and community ditches are a unique and vital part of New Mexico's culture and economy. Acequias are local units of government that have allocated irrigation water for centuries in New Mexico and they continue to manage a significant amount of surface water rights in the state. Their continued role in water management and agriculture and their special place in New Mexico's cultural heritage, make acequias a vital part of our state's future.

The ACDF was created by statute in 1988 by the State Legislature to ensure that acequias and community ditches receive fair and equitable treatment in the adjudication process.

The ACDF funds are administered by the NMSU Department of Agriculture and are allocated through a competitive process to regional acequia associations in basis with active adjudications. A three member committee comprised of a representative from the Interstate Stream Commission, the New Mexico Acequia Commission, and the Department of Agriculture evaluate proposals and make funding recommendations. The Office of the State Engineer advises on the areas where adjudication is expected to be most active which in part determines which regional acequia associations will have the greatest need for funding in the upcoming year.

NMDA enters into agreements with regional acequia associations to provide for defense of acequia-based water rights. Over a dozen regional acequia associations have received financial support for legal defense since 1988. Because of these resources, acequias have been active in some of New Mexico's most significant water litigation including the various water rights settlements in recent years such as Aamodt (Pojoaque), Abeyta (Taos), and Abousleman (Jemez). This has been instrumental to bringing greater certainty to the water rights of thousands of families in New Mexico and has contributed to sound water management in New Mexico for years to come.

ADMINISTRATIVE IMPLICATIONS

The board of regents of New Mexico state university would be responsible for administering the funds to the department of agriculture to develop and promote farmers' markets in New Mexico.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The acequia association notes that with the ACDF funds, acequias have been able to identify and obtain correction of numerous errors in the initial offers of water rights by the office of the state engineer that would not otherwise have been corrected before the final water rights decree. Consequently, without the bill, chances would be higher that the water rights adjudicated to acequias and some of their members would have erroneous amounts, priority dates, etc., and those communities as a whole would have less in terms of water rights than what they would be entitled to.