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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/19

SPONSOR Salazar, T LAST UPDATED 2/14/19 HB 187/aHJC

SHORT TITLE Water Law Evaluation and Review SB _____

ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
	\$1,500.0				Nonrecurring	GF

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM)
 Administrative Office of the Courts (AOC)
 New Mexico Attorney General (NMAG)
 Office of the State Engineer (OSE)

SUMMARY

Synopsis of Amended Bill

The House Judiciary Committee Amendment to House Bill 187 requires a “diverse set of” western states’ water law experts and a “diverse set of” water law review panel members.

All persons with experience and expertise in the water law topics under evaluation by the panel shall be eligible to be selected to be panel members.

A second reporting requirement is added, by September 30, 2021 the Utton Center shall submit another detailed report to the Legislative Council Service that addresses water law issues that were not resolved by the 2021 legislative session. The appropriate interim committees shall review the findings and consider the need for specific, recommended amendments to New Mexico’s water law.

Appropriated funds may be spent through fiscal year 2022.

Synopsis of Original Bill

House Bill 187 appropriates \$1.5 million to the Utton Transboundary Resources Center (Center) at the University of New Mexico so the Center can evaluate New Mexico's water laws. The Center is directed to submit a detailed report by September 30, 2020 to the legislature with recommended amendments.

The Center is to evaluate multiple water law topics, including:

- Reforming the adjudication process;
- Protecting future water supplies;
- Preparing for a future caused by higher temperatures and climate change;
- Examining the creation of a department of water resources with the authority to oversee both the Office of the State Engineer and the Interstate Stream Commission;
- Reorganizing and streamlining of the state's water-related capital assistance programs and agencies;
- Exploring actions that could be taken to receive federal assistance to address the state's water resource management problems and issues;
- Examining sources of revenue, including user fees, to ensure sufficient and sustainable funding for the administration of New Mexico's water resources; and
- Any other specific problems identified by a water law review panel.

HB 187 directs the Center with procuring recognized experts in western states' water law to jointly evaluate the listed water law topics.

The Center is to appoint members to a water law review panel. The panel may suggest additional topics for evaluation and may provide comments to recommended water law amendments. The members of the panel are entitled to receive per diem and mileage.

FISCAL IMPLICATIONS

HB187/aHJC

The appropriation of \$1.5 million in HB 187/aHJC can be expensed in fiscal years 2020 through 2022.

Original Bill

The appropriation of \$1.5 million contained in this bill is a non-recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2021 shall revert to the General Fund.

SIGNIFICANT ISSUES

Firms or individuals who represent political subdivisions of the state with regard to water management or water rights may not be selected to as a vendor to assist in the evaluation.

HB 187 directs the Center to convene a “water law review panel” to advise the Center on the evaluation conducted on the listed topics. Details on the composition of the panel, the experience or expertise of the panel’s members is not addressed

VKH/gb/al