

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 02/10/2025
2025

Check all that apply:

Bill Number: HB 348

Original X Correction
Amendment Substitute

Sponsor: Rep. Kristina Ortez & Rep. Matthew McQueen

Agency Name and Code Number: 305 – New Mexico Department of Justice

Short Title: Water Law Violation Penalty

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: This bill amends sections of the water code to increase penalties, allow for penalties to be adjusted for inflation, prioritize repayment of water in some cases, and clarify the notice and hearing process for revocation of certain types of licenses related to underground waters.

Section 1: Amends NMSA 1978, Section 72-2-18, to prioritize repayment of water as the preferred remedy for violations of water law administered by the state engineer. Civil penalties are only to be sought for violations that do not involve overdiversion of water or where repayment of water is not possible or not a sufficient deterrent. The maximum civil penalty is increased from \$100 dollars to \$2,000 dollars, but in cases where overdiverted or illegally diverted water is sold, the maximum civil penalty may be double the economic value derived. This section further requires the state engineer to annually adjust the maximum penalties to account for inflation.

Section 2: Increases the civil penalty for violations of the Ground Water Storage and Recovery Act, NMSA 1978, § 72-5A-12, from \$100 dollars to \$2,000 dollars for violations not directly related to the illegal recovery or use of stored water under the act. This section further requires the state engineer to annually adjust the maximum penalties to account for inflation.

Section 3: Clarifies the language of NMSA 1978, § 72-12-14 for the process regarding suspension or revocation of licenses issues under sections 72-12-12 through 72-12-17. It also increases the maximum civil penalty from \$1,000 dollars to \$10,000 dollars, and directs the state engineer to annually adjust the maximum penalties to account for inflation.

FISCAL IMPLICATIONS

N/A.

SIGNIFICANT ISSUES

N/A.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

N/A.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate of SB210.

TECHNICAL ISSUES

N/A.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A.