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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Campos **ORIGINAL DATE** 1/31/2025

BILL

SHORT TITLE Irrigation Works Fund Annual Transfer **NUMBER** Senate Bill 208

ANALYST Davidson

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
\$0	\$2,500	Recurring	Acequia and Community Ditch Infrastructure Fund
\$0	(\$2,500)	Recurring	Irrigation Works Construction Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	\$300	\$300	\$600	Recurring	General Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Office of the State Engineer (OSE)
Acequia Association

SUMMARY

Synopsis of Senate Bill 208

Senate Bill 208 (SB208) proposes to amend language relating to transfers from the Irrigation Works Construction Fund (IWCF) to the Acequia and Community Ditch Infrastructure Fund (ACDIF), increasing the annual transfer amount from \$2.5 million to \$5 million.

The bill also amends language relating to the transfer from the IWCF to the Forest Land Protection Revolving Fund (FLPRF), changing the word “distributed” to “transferred.”

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

Agency analysis from the Office of the State Engineer (OSE) notes that increasing usage of the IWCF has the potential to accelerate this fund's depletion. By doubling the transfer of \$2.5 million to \$5 million from the IWCF to the ACDIF, transfers from the IWCF to either OSE operations or ACDIF uses would total roughly \$11.5 million per year. Current annual expenditures from IWCF are roughly \$9 million, already surpassing and average the fund's average annual revenue of roughly \$7 million. The current balance of the IWCF is \$11.6 million, while the current balance of the ACDIF is \$982.2 thousand.

Agency analysis from OSE also notes doubling the amount of funding for acequia projects could require an increase in the agency's recurring budget of \$300 thousand for two additional personnel to support the increased project workload.

SIGNIFICANT ISSUES

Agency analysis from OSE expressed concerns regarding the overreliance on the IWCF for agency operations. With the addition of the \$2.5 million in new transfers to the ACDIF, the agency warns of potential supplementals for agency operations from the general fund.

AD/hj/SR