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FISCAL IMPACT REPORT

SPONSOR:	Wilson	DATE TYPED:	02/03/00	HB	
SHORT TITLE:	Drip Irrigation Systems			SB	320
				ANALYST:	Pickering

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
NFI	\$ 2,000.0	NFI	NFI	Nonrecurring	IWCF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

New Mexico Department of Agriculture (NMDA)

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

SUMMARY

Synopsis of Bill

SB320 appropriates \$2,000.0 from the irrigation works construction fund (IWCF) to ISC in FY2001 to contract with agricultural water users for the purchase, construction, improvement or installation of drip irrigation systems.

Significant Issues

According to ISC, the IWCF balances must be preserved to address other critical programs deemed priority by both the agency and the legislature. The funds are designated for use by the legislature to augment general fund revenue sources for important needs such as: the lower Rio Grande hydrographic survey, federal and interstate litigation in the lower Rio Grande, Endangered Species Act litigation and process participation in the middle Rio Grande.

FISCAL IMPLICATIONS

SB320 appropriates \$2,000.0 from the IWCF. The projected IWCF income fund balance at the end of the current fiscal year is \$16,700.0. However, ISC has requested \$8,359.0 in FY2001 appropriations from the fund to address several high priority issues previously listed. It is the agency's contention that these monies are obligated for specific purposes and will be depleted if used for other concerns.

ADMINISTRATIVE IMPLICATIONS

ISC maintains that administrative efforts would increase to contract and administer the new program. The bill lacks authorization for additional personnel, which is not a legitimate use of

the IWCF, and would have to be funded by a general fund appropriation increase not contemplated in the agency's budget request. Also, the new program could require that personnel time dedicated to ongoing programs be deferred unless additional FTE funding is appropriated from the general fund.

TECHNICAL ISSUES

The bill presumes that ISC can contract with individuals for this activity, which it cannot. The agency is authorized to loan funds to political subdivisions of the state.

SUBSTANTIVE ISSUES

See Significant Issues and Fiscal Implications, above.

ALTERNATIVES

ISC offered two proposals which include: 1. Amending the bill to authorize the loan of funds to districts for the purpose of construction of drip irrigation systems, in addition to appropriations for existing ISC loan program and, 2. Appropriating general fund monies and authorizing ISC to enter a cooperative agreement with another agency or public entity to construct a drip irrigation demonstration project.

RP/njw