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## FISCAL IMPACT REPORT

SPONSOR: Gubbels DATE TYPED: 0/3/01 HB HJM 71/aHAGC  
 SHORT TITLE: Develop Water Banking Legislation SB \_\_\_\_\_  
 ANALYST: Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SJM69

### SOURCES OF INFORMATION

LFC Files  
Office of the State Engineer (SEO)

### SUMMARY

HJM-71/aHAGC

#### Synopsis of the HAGC Amendment

This House Agriculture and Water Resources Committee amendment changes the title of the joint memorial to read:

A JOINT MEMORIAL  
 REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO DIRECT THE  
 APPROPRIATE COMMITTEE TO DEVELOP RECOMMENDATIONS ON WATER BANKING  
 LEGISLATION.

#### Synopsis of Original Bill

A joint memorial resolving that the New Mexico Legislative Council direct the appropriate committee to develop recommendations on water banking and to report its findings to the Legislative Council by January 1, 2002.

#### Significant Issues

## House Joint Memorial 71 -- Page 2

The surface water of nearly all streams in New Mexico are full appropriated and underlying aquifers are being rapidly depleted. New Mexico's population growth has placed greater demands on the limited water supplies; however, current law provides no incentives to reduce consumptive water rights. SEO states that water banking is a tool for providing incentives to reduce consumptive water use and also provide beneficial water uses to be shared, leased or more easily transferred. The 1999, New Mexico Legislative Council Service report, Water in New Mexico, identified barriers to water banking including incomplete adjudication of water rights, the cost of adjudications, the lack of approval of temporary water trades as beneficial uses and the disallowance of water conservation as a beneficial use. SEO states that water banking must not impact the Interstate Stream Commission's ability to meet interstate compact compliance.

GC/njw:lrs