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FISCAL IMPACT REPORT



SPONSOR: Stell DATE TYPED: 01/28/02 HB 271

SHORT TITLE: Underground Water Permits SB _____

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	See Narrative	Recurring	General Fund

SOURCES OF INFORMATION

LFC Files
 New Mexico Acequia Association
 New Mexico Environment Department (NMED)
 New Mexico Finance Authority
 New Mexico Livestock Board
 Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 271 amends Section 72-12-1 NMSA 1978 that establishes conditions for permits for the use of underground waters. The most significant change is that it amends conditions under which OSE may deny a permit for water wells. In areas where there is no unappropriated water available and use of the water may affect compact delivery obligations, SEO may deny the permit, limit the permit, or require metering of the well. Other editorial changes are made which do not change the meaning of existing language.

Significant Issues

SEO states that there are approximately 130,000 permitted domestic wells in the state, and they receive requests for 5,000 wells each year. Currently, SEO must issue permits even if there is no unappropriated water available or it there would be impacts on neighboring wells. During testimony

before the interim Legislative Water and Natural Resource Committee, SEO estimated that domestic wells caused annual depletions of 2,700 acre-feet of water from the Rio Grande and up to 1,800 acre-feet of water from the Pecos River.

There is concern of some property holders that this bill would limit their ability to build a home because of the inability to get a domestic well permit. In many areas of the state, domestic wells are the only source of water.

ADMINISTRATIVE IMPLICATIONS

OSE states the bill will have a significant impact on the agency in that hydrologic evaluations will have to be made on all domestic well permits. However, they state that the proposed legislation would allow better water administration with the state. OSE will have to determine the additional cost for implementing the proposed statute change and, if needed, request a supplemental appropriation during the 2003 legislative session.

RELATIONSHIP

This bill is related to HJM 7 and SJM 27.

POSSIBLE QUESTIONS

1. What will be the estimated impact of this amendment have on growth in unincorporated areas?
2. How will OSE cope with the increased workload resulting from the statutory change?
3. What percentage of domestic well permits will be denied because of the statute change?

GAC/ar