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FISCAL IMPACT REPORT

SPONSOR Salazar DATE TYPED 1/30/04 HB 252

SHORT TITLE Assistance for Acequia Bylaw Implementation SB _____

ANALYST Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the State Engineer

No Response Received From
Department of Finance and Administration

SUMMARY

Synopsis of Bill

HB 252 appropriates \$100,000 from the New Mexico Irrigation Works Construction Fund to the Local Government Division of the Department of Finance and Administration for expenditure in fiscal year 2005 to assist acequias in the adoption and implementation of acequia bylaws, rules, and regulations.

Significant Issues

1. There is concern regarding the viability of the State Engineer's Income Funds. It is expected that the Funds will be depleted by FY06.
2. In its bill analysis, the Office of the State Engineer identifies this appropriation as a non-recurring expenditure. However, because the need will be on-going, this will be a recurring cost.

The Office of the State Engineer states:

3. The proposed appropriation would further deplete the Irrigation Works Construction Fund, reducing the amount of money available from that fund for irrigation-related projects.
4. Office of the State Engineer staff currently provide assistance to acequias and community ditches when requested regarding the adoption and implementation of bylaws, rules, or regulations. Budget constraints, however, limit the number of acequias that existing OSE/ISC staff can assist.

ALTERNATIVES

The Office of the State Engineer proposes:

1. If the intent of HB 252 is to establish a temporary program through the New Mexico Acequia Commission to assist acequias and community ditches, the bill should be amended to expressly identify the Acequia Commission. This will clarify the appropriation to the Local Government Division of the Department of Finance and Administration is for the purpose of assisting the Acequia Commission in establishing such a program.
2. If the intent of HB 252 is to establish a program to assist acequias and community ditches with technical and institutional capacity development issues that are broader than just the adoption and implementation of acequia bylaws, rules, and regulations, then the bill should be amended to state such a broader intent. A program defined in terms of assisting acequias with the development of institutional and technical capacity to participate more effectively in State and regional water planning should fall within the powers and duties set out for the Acequia Commission in NMSA 1978, section 73-2-66 (1993).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

According to the Office of the State Engineer, acequias and community ditches will continue to receive a limited amount of assistance from the OSE/ISC regarding the adoption and implementation of acequia bylaws, rules, and regulations as the budgetary resources of the OSE/ISC permit. Acequias and community ditches also will continue to participate State and regional water planning utilizing their existing resources.

AMENDMENTS

In an effort to address the issues raised under “ALTERNATIVES” above, the Office of the State Engineers proposes:

Section 1. APPROPRIATION.—One hundred thousand dollars (\$100,000.00) is appropriated from the New Mexico irrigation works construction fund to the local government division of the department of finance and administration for expenditure in fiscal year 2005 to assist ~~[in the adoption and implementation of acequia bylaws, rules and regulations.]~~ the New Mexico acequia commission in the development and implementation of a program to assist acequias and community ditches in developing institutional and technical capacity

to participate in the development and implementation of the State Water Plan and appropriate Regional Water Plans. Any unexpended or unencumbered balance from this one-time appropriation remaining at the end of fiscal year 2005 shall revert to the general fund.

SJM/yr