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## FISCAL IMPACT REPORT

**SPONSOR** Nunez                      **DATE TYPED** 2/10/05                      **HB** 89/aHAGC

**SHORT TITLE** Non-Native Phreatophyte Removal Program                      **SB** \_\_\_\_\_

**ANALYST** Woods

### APPROPRIATION

| Appropriation Contained |            | Estimated Additional Impact |      | Recurring or Non-Rec | Fund Affected |
|-------------------------|------------|-----------------------------|------|----------------------|---------------|
| FY05                    | FY06       | FY05                        | FY06 |                      |               |
|                         | \$10,000.0 |                             |      | Recurring            | General Fund  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

Relates to HB88

Relates to SB190

Relates to HB7

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)

New Mexico Environment Department (NMED)

New Mexico Interstate Stream Commission (ISC)

### SUMMARY

#### Synopsis of HAGC Amendment

House Agriculture and Water Resources Committee Amendment to HB89 clarifies both the functional responsibility, as well as the parameters of the statewide non-native phreatophyte removal program as follows:

On page 1, line 17:

After the word “university,” the phrase “through the soil and water conservation districts” is inserted.

On page 1, line 19:

After the word “program,” the phrase “, including restoration of riparian vegetation, monitoring and long-term management and maintenance in accordance with established templates and protocols” is inserted.

House Agriculture and Water Resources Committee Amendment to HB89 attaches no additional appropriation to the bill.

### Original Synopsis of Bill

House Bill 89 – Making an Appropriation for a Statewide Nonnative Phreatophyte Removal Program – appropriates \$10 million from the general fund to the Board of Regents of New Mexico State University to conduct a statewide non-native phreatophyte removal program for expenditure in fiscal year 2006. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### Significant Issues

NMDA indicates the nonnative phreatophyte program was originally initiated in FY02 and continues to be funded with through annual appropriations. In response to language in HB2 (2004 legislative session), an interagency work group (HB2 Work Group) was formed to create a statewide strategic plan to guide future nonnative phreatophyte management and associated restoration activities. While release of the HB2 Work Group strategic plan is pending, NMDA notes that one recommendation calls for creation of sustainable funding for this program for two reasons:

- the severity of watershed conditions in the state; and
- federal finds (which will require state matching funds) will be available to offset program costs (pending federal appropriation).

NMDA suggests that New Mexico has been at the forefront of nonnative phreatophyte management and restoration activities; further that implementation of projects has been accomplished in collaboration with the soil and water conservation districts with support from the soil and water conservation commission and NMDA staff.

However, NMED calls attention to the fact that, if not properly implemented, phreatophyte removal could induce bank destabilization that in turn would increase the risk of erosion leading to water quality impacts, sedimentation and diminished capacity of the state’s reservoirs. Further, effective revegetation with native species is necessary to minimize this possibility, and should be a funded, mandatory component of every phreatophyte eradication project.

Also commenting on native species revegetation, the ISC indicates that, while water uptake by phreatophytes can constitute a significant portion of a basin water budget, the latest analyses by the United States Academy of Sciences and the American Council of Civil Engineers indicate that actual water salvage by phreatophyte removal programs are much less than predicted and may even be non-existent unless accompanied by a carefully planned program for reintroduction of low water use native plants.

**FISCAL IMPLICATIONS**

The appropriation of \$10 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

**ADMINISTRATIVE IMPLICATIONS**

The New Mexico Department of Agriculture would retain oversight of the program.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Language in HB7 and SB190 (general appropriation acts) states, "None of the money appropriated to the state engineer for operating or trust purposes shall be expended for primary clearing of vegetation in a phreatophyte removal project, except insofar as is required to meet the terms of the Pecos river compact between Texas and New Mexico. However, this prohibition shall not apply to removal of vegetation incidental to the construction, operation or maintenance for flood control or carriage of water or both."

**OTHER SUBSTANTIVE ISSUES**

This request was not in the list of priority projects submitted by the NMSU Board of Regents to the CHE for review. Accordingly, it was not included in the CHE's funding recommendations for FY06.

BFW/yr