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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-30-06

SPONSOR HAGC LAST UPDATED \_\_\_\_\_ HB 131/HAGCS

SHORT TITLE Assess Salt Water Basin Resource Development SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION (dollars in thousands)

| Appropriation |         | Recurring<br>or Non-Rec | Fund<br>Affected |
|---------------|---------|-------------------------|------------------|
| FY06          | FY07    |                         |                  |
|               | \$150.0 | Non-Recurring           | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB175

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the State Engineer-Interstate Stream Commission (OSE) (HB131)  
Department of Finance and Administration (DFA) (HB131)

### SUMMARY

#### Synopsis of Bill

The House Agriculture and Water Resources Committee substitute for House Bill 131, Making an Appropriation for the Interstate Stream Commission to Assess New Mexico's Options to Put to Beneficial Use Salt Basin Water Resources, seeks to appropriate \$150,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2007 to assess New Mexico's options to put salt basin water to beneficial use. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

### SIGNIFICANT ISSUES

The Office of the State Engineer-Interstate Stream Commission (OSE) indicates that studies of the water resources in the Salt Basin have been made utilizing similar appropriations in recent years. Preliminary estimates are that 50,000 to 75,000 acre-feet of water per year could be reliably developed from the Salt Basin, or approximately as much water as the San Juan Chama Project delivers.

OSE further observes that the southern portions of the state are currently short of water. In the coming decades, the southern portions of the state are expected to experience the New Mexico's – if not the nation's – highest growth rates. The water in the Salt Basin currently flows underground across the Texas-New Mexico border where Texas farmers pump it for irrigation. OSE suggests that this funding will continue the critical investigations necessary to develop that water in New Mexico, while the Department of Finance and Administration (DFA) adds that it is likely that the proposed appropriation may qualify for federal matching funds.

DFA additionally suggests that this appropriation would allow OSE to further explore the possibility of developing a substantial water source that could be used in meeting interstate compact delivery requirement performance or increasing the amount of water available for use within the state.

**CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP**

This legislation is related to HB175 which also addresses salt basin water development.

BW/mt:yr