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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/07
 SPONSOR Bandy LAST UPDATED 2/6/07 HB 687
 SHORT TITLE SAN JUAN COUNTY SALT CEDAR REMOVAL SB _____
 ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to: This bill relates to HB 197, SB 115a, HB 617, SB 62, HB 366, HB 495 and SB 12.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)
 Energy, Minerals and Natural Resources Department (EMNRD)
 Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 687 appropriates \$300.0 from the General Fund to the Local Government Division of the Department of Finance and Administration to manage and administer with the San Juan Soil and Shiprock Water Conservation Districts, the non-native phreatophyte removal and riparian restoration program in San Juan County.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a Recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

EMNRD reports that significant issues relate to the importance of restoring riparian areas and the possibility of enhancing water supplies. Stands of non-native salt cedar trees present a significant wildfire risk. Regeneration of this species increases when burned, which means these stands often grow back thicker and with more vigor. Wildfires in these areas often damage native riparian vegetation and pose a risk to structures and communities.

The Office of the State Engineer does note that the latest analyses by the United States Academy of Sciences and the American Council of Civil Engineers indicate that estimates of water salvaged by phreatophytes removal programs may be less than predicted and may even be non-existent unless accompanied by a carefully planned program of reintroduction of low water use native plants. Studies show that great care must be taken or net water consumption can actually increase, not decrease.

ADMINISTRATIVE IMPLICATIONS

San Juan County has a history of administering projects of this nature and would work with both the San Juan and Shiprock Soil and Water Conservation District. Additionally, the LGD of DFA would pass through the money to San Juan County which would not charge for administration.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to House Bill 197, Senate Bill 115a, House Bill 617, Senate Bill 62, House Bill 366, House Bill 495 and Senate Bill 12.

WEP/mt