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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/07

SPONSOR Campos LAST UPDATED \_\_\_\_\_ HB 699

SHORT TITLE Fort Sumner Irrigation District Adjudication SB \_\_\_\_\_

ANALYST Propst

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 699 appropriates \$100.0 from the General Fund to the Local Government Division of the Department of Finance and Administration to provide professional services to the Fort Sumner Irrigation District for the Adjudication of Water Rights.

### FISCAL IMPLICATIONS

The appropriation of \$100.0 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

The services provided would include historical studies, hydrographic surveying, hydrographic mapping, legal fees, and other necessary but unspecified technical services. Any unexpended or unencumbered funds remaining at the end of fiscal year 2008 would revert to the general fund.

The Office of the State Engineer notes that water rights adjudication has been an issue throughout the State for many years, the process is time consuming as historical studies, hydrographic surveying and mapping along with the related legal ramifications result in years addressing these concerns before final resolution is realized.

#### **ADMINISTRATIVE IMPLICATIONS**

The OSE is the agency that possesses the specialized knowledge, expertise and experience related to water right adjudication, it might be more efficient to appropriate the funds to OSE.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

According to the OSE, the Executive Summary Annual 2007 Budget in Brief, includes appropriated funds for this purpose through the Strategic Water Reserve initiative.

#### **OTHER SUBSTANTIVE ISSUES**

OSE reports that, as a rule, the State has not embraced the funding of water-right adjudication expenses that are incurred by individual water-right claimants. The exception to this has been funds awarded to Acequia associations through the Acequia and Ditch Fund to assist them in the adjudication of their water rights. Setting a precedent could encourage other entities such as municipalities and irrigation districts to expect that their adjudication costs be underwritten by the State.

WEP/nt