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FISCAL IMPACT REPORT

ORIGINAL DATE 2-1-07

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE Middle Rio Grande Hydrographic Studies SB 635

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	7,000.0	Non-recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Bill 635 seeks to appropriate \$7,000,000 from the general fund to the Office of the State Engineer for expenditure in fiscal years 2008 through 2010 to conduct hydrographic studies to begin the water rights adjudication process for the middle Rio Grande. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall not revert to the general fund.

SIGNIFICANT ISSUES

OSE indicates that the agency is proposing a new approach to the adjudication of water rights in the Middle Rio Grande (MRG). The state engineer plans to exercise his existing administrative authority to evaluate proofs of beneficial use and issue licenses recognizing the extent to which water has actually been applied to beneficial use under water rights claims in the MRG. This project entails both technical and legal studies of the use and appropriation of water which will provide the foundation for a MRG hydrographic survey and greatly facilitate and expedite the adjudication of water rights in the MRG.

OSE concludes that, "If funded, these hydrographic studies would greatly facilitate the state engineer's ability to begin the adjudication and to administer water rights within the Middle Rio Grande."

ADMINISTRATIVE IMPLICATIONS

OSE notes that that the state engineer's budget request for fiscal year 2008 includes a base expansion request of \$269,000 for four permanent positions to create the Middle Rio Grande Pre-Adjudication Bureau within the Litigation and Adjudication Program. This expansion request is for a recurring appropriation of \$269,000 from the general fund for salaries, benefits and operating costs for these positions. The appropriation under this bill is non-recurring and could only be used to fund these positions for three years.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

OSE suggests that the state engineer will not be able to use these funds to move forward with the proposal for a Middle Rio Grande Bureau

BFW/mt