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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR B. Lujan LAST UPDATED _____ HB 303

SHORT TITLE Acequia & Community Ditch Fund Purposes SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$575.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	\$575.0		Recurring	Acequia and Community Ditch Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

House Bill 303 appropriates \$575.0 from the general fund for Fiscal Year 2009 and subsequent fiscal years to the Acequia and Community Ditch Fund to carry out the purposes of the Acequia and Community Ditch Fund Act.

FISCAL IMPLICATIONS

The appropriation of \$575.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall not revert to the general fund.

SIGNIFICANT ISSUES

NMDA states that the New Mexico Department of Agriculture provides all administrative and fiduciary oversight for the Acequia and Community Ditch Fund (ACDF).

According to NMDA, this increase in the ACDF will enable eligible acequia and community ditch associations to access additional funding. Total funding requests by acequia and community ditch associations have historically exceeded \$1.0 million per year and requests have increased to over \$2.2 million in FY07. The ACDF has been funded at \$648,700 for years and this increase would provide needed assistance to eligible recipients for the purposes of the Act; including development of hydrologic studies, the acquisition of technical and legal research, and other services necessary to conserve and protect water for New Mexico's future through the adjudication of water rights.

According to the Executive Budget for Higher Education, the Executive recommends a \$1.0 million increase to the Department of Agriculture's operating budget to support the performance and accountability policy of *Promoting and Growing New Mexico*. Supported NMDA initiatives include: \$500.0 for Agriculture Experiment Station operating costs; \$500.0 for Cooperative Extension Service operating costs; and \$500.0 nonrecurring for the acequia and community ditch fund.

GH/bb