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FISCAL IMPACT REPORT

ORIGINAL DATE 02/19/13

SPONSOR Trujillo, CH LAST UPDATED _____ HB 470

SHORT TITLE Lower Rio Grande Water Management Plan SB _____

ANALYST McCoy

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to SB449, SB135, SB197, SB440, and SM8
Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)
New Mexico Department of Agriculture (NMDA)
New Mexico Higher Education Department (NHED)

SUMMARY

Synopsis of Bill

House Bill 470 (HB 470) appropriates \$50.0 thousand from the general fund to the Board of Regents of New Mexico State University (NMSU) for expenditure in fiscal year 2014 for the New Mexico Department of Agriculture (NMDA) to contract with a lower Rio Grande water rights organization to develop a water management plan to help lower Rio Grande farmers to manage their irrigation waters more effectively and efficiently.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The HED notes, this request was not submitted by the Board of Regents of NMSU to the HED which established a formal process for reviewing earmarked budget requests for higher education institutions which requires prior approval by the governing body of the university or college. It also provides for analysis of each request by the NHED, DFA and LFC. The NHED recommends that requests that circumvent the formal review process not receive funding in the 2014 appropriation but be directed to be resubmitted for funding in FY15. The NHED also notes, it is unclear who the contractor might be for the lower Rio Grande district.

The NHED points out, there are two lawsuits involving the lower Rio Grande district (1) The Bureau of Reclamation's claim to the Elephant Butte Irrigation District (1997) (see New Mexico Attorney General new release, 8/24/2012 at <http://www.nmag.gov/News-Releases/ag-king-moves-to-expedite-lower-rio-grande-water-case>), and (2) Texas and New Mexico lawsuit over water rights management of the lower Rio Grande (see New Mexico Attorney General new release, 8/23/2012 at http://www.nmag.gov/the_office/water-environment-and-utilities/new-mexico-water).

TECHNICAL ISSUES

According to the OSE, it is unclear if there is an existing lower Rio Grande water rights organization that could develop a water management plan to help lower Rio Grande farmers to manage their irrigation waters more effectively and efficiently.

OTHER SUBSTANTIVE ISSUES

New Mexico statutes (NMSA 1978, 72-2-1) allow the New Mexico State Engineer to regulate and control the use of water in the state, including the lower Rio Grande stream and the New Mexico lower Rio Grande regional water plan.

According to Ackerman and Stanton (2011) in their report, *The Last Drop, Climate Change and the Southwest Water Crisis*, Stockholm Environment Institute, p. 14), half of the water in New Mexico is pumped from underground aquifer, which is problematic because these reservoirs are not being sufficiently recharged by rainfall.

MTM/blm