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FISCAL IMPACT REPORT

SPONSOR Dodge ORIGINAL DATE 03/03/15
LAST UPDATED _____ HB 526
SHORT TITLE Colonias Community Ditch Diversion Dam SB _____
ANALYST Cerny

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$ 40.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

HB 526 appropriates \$ 40.0 thousand from the general fund to OSE for the purpose of studying the feasibility of constructing a diversion dam for the Colonias Community ditch.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

FISCAL IMPLICATIONS

The appropriation \$ 40.0 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

SIGNIFICANT ISSUES

This project is not eligible for a capital outlay request. HB 526 authorizes funding for a feasibility study and does not qualify for funding utilizing severance tax bonds per DFA analysis. However, OSE analysis states that the Colonias Community Ditch received an appropriation of

\$60 thousand in 2013 (No. 13-1571) for essentially the same purpose:

None of that money has been expended because the members of the colonias community ditch do not have the right to use surface water. The right to use surface water is required before construction of a diversion dam can commence. Neither the colonias ditch nor its members have applied to the State Engineer for a permit to use surface water. Funding a study of the feasibility of a surface water diversion dam for the colonias ditch would be premature without a permit from the State Engineer to use surface water.

If HB526 is not enacted, \$40,000 of general funds could be utilized for a project that is ready to proceed.

RELATIONSHIP

The Colonias Community Ditch in SB 546 is listed as one of the recipients (among many other acequias) for a \$10.88 million appropriation from the NM Irrigation Works Construction Fund.

CAC/bb