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## FISCAL IMPACT REPORT

SPONSOR Chatfield ORIGINAL DATE 2/4/2020  
LAST UPDATED 2/6/2020 HB 165/aHAWC  
SHORT TITLE Study Ground Water Resources in NE NM SB \_\_\_\_\_  
ANALYST Gelay

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

State Land Office (SLO)

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of HAWC Amendment

The House Agriculture and Water Resources Committee amendment to House Bill 165 added a clause to make the appropriation nonreverting. As noted in the original analysis, institutions of higher education typically do not revert unexpended fund balances.

#### Synopsis of Original Bill

House Bill 165 appropriates \$200 thousand from the general fund to the Board of Regents of New Mexico State University for the purpose of the cooperative extension service to study the quantity and quality of ground water resources in Colfax, Harding, Mora, and Union counties, for the purpose of determining appropriate land use in rural agricultural areas in these counties.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general

fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund.

The SLO does not anticipate a direct fiscal impact. However, SLO believes that the study could assist it in land management and leasing decisions. Further SLO responds “the study could result in a positive but undetermined amount of revenue for state trust land beneficiaries.”

### **SIGNIFICANT ISSUES**

The NM Office of the State Engineer has authority over the supervision, measurement, appropriation, and distribution of all surface and groundwater in New Mexico. Because of this authority, any projects that involve groundwater in the state should be closely coordinated with agency staff to ensure they are useful for OSE’s work and that projects are of high quality.

HB165 funds the development and maintenance of groundwater data sets for Union, Colfax, Harding, and Mora counties. The data sets will focus on determining fluctuations in the quantity and quality of groundwater resources throughout the region. They will build ongoing collaborative work between NMSU’s Animal and Range Science Department and geologists working in the four-county area. This work is related to conservation-oriented agricultural practices that use linked data sets that include rangeland health, animal health, watershed health, and groundwater resources.

Groundwater recharge is the process where water moves downward from surface water to groundwater. Recharge is the primary method through which water enters an aquifer. Preliminary data from Union and Mora counties suggest there is very little groundwater recharge entering the groundwater system. If recharge throughout the region is limited, there could be long-term impacts on the sustainability of groundwater-dependent agricultural operations.

Data on fluctuations in the quantity and quality of groundwater can assist agricultural businesses and rural communities in making informed decisions. Additionally, the data will provide information required for private landowners to work with federal agencies, such as U. S. Natural Resources Conservation Service to implement conservation practices that promote resilient production systems. If groundwater monitoring activities were to occur on state trust lands, SLO staff will need to coordinate with NMSU.

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

A similar bill was introduced in 2019, HB484, Northeast NM Groundwater Study, which was sponsored by Rep. Sanchez.

### **TECHNICAL ISSUES**

HB165 contains reversion language, where unexpended balances from the appropriation revert to the general fund. Higher education institutions, which includes NMSU, do not revert unexpended balances.

### **OTHER SUBSTANTIVE ISSUES**

Last year NMSU Animal and Range Science Department received a \$1.2 million grant from the

National Institute of Food and Agriculture (NIFA) to support agricultural producers and land managers in making proactive groundwater management decisions that promote social, economic, and environmental resilience. This funded research will be conducted in Union County, New Mexico and outside of New Mexico in Cimarron County, Oklahoma and Las Animas, Colorado. The grant period is 2018-2021.

When asked for a response for a similar bill proposed in 2019 (HB484) NMSU stated it would complement this federally funded research, expanding the work in Union County and adding Colfax, Harding, and Mora.

The OSE contributed the following response:

There is more than one aquifer in Colfax, Harding, Mora and Union counties. These aquifers are not necessarily well connected and may not lend themselves to a single large-scale study.

The Office of the State Engineer, working with Balleau Groundwater, Inc, completed a new groundwater model covering the Clayton area in 2014. The New Mexico Bureau of Geology has been studying this area, and in 2013 published a study of the Hydrogeology of east-central Union County. The US Geological Survey performs ongoing groundwater level monitoring in this part of the state.

If this bill is passed, the OSE should be involved in the development and approval of the scope of work for the tasks undertaken as part of this project to avoid potential duplication of effort.

JGG/al/sb