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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Harper/Diamond</u>	<b>LAST UPDATED</b> _____ <b>ORIGINAL DATE</b> <u>3/6/2023</u>
<b>SHORT TITLE</b> <u>Create District Water Court</u>	<b>BILL NUMBER</b> <u>House Bill 507</u>
	<b>ANALYST</b> <u>Gray</u>

### APPROPRIATION\* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$500	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$450	\$450	\$900	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)  
 New Mexico Attorney General (NMAG)  
 Office of the State Engineer (OSE)  
 New Mexico Office of the Natural Resources Trustee (ONRT)

## SUMMARY

### Synopsis of House Bill 507

House Bill 507 appropriates \$500 thousand from the general fund to the 13<sup>th</sup> Judicial District Court for judge and staff salaries and materials needed to create a new judgeship. House Bill 507 adds an additional judge in the 13<sup>th</sup> Judicial District Court (Sandoval, Valencia, and Cibola counties) to hear all cases relating to water in the district.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023,

(90 days after the Legislature adjourns) if signed into law.

## **FISCAL IMPLICATIONS**

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall not revert to the general fund.

Although this bill does not specify future appropriations, appropriations used to fund services and salaries and benefits create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

The Administrative Office of the Courts (AOC) estimates the annual cost of a district court judgeship and staff is \$450 thousand per year.

## **SIGNIFICANT ISSUES**

There is an existing water court in the 13<sup>th</sup> judicial district. AOC notes:

The Supreme Court’s January 27, 2004 (No. 04-8110) order established a “Water Court Division” and designated “water judges” in all of the 13 judicial districts.

AOC also notes that HB507 may violate constitutional separation of powers.

BG/al/ne