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FISCAL IMPACT REPORT

SPONSOR <u>Diamond/Cervantes</u>	LAST UPDATED _____
	ORIGINAL DATE <u>03/07/23</u>
SHORT TITLE <u>Middle Rio Grande Compact</u>	BILL NUMBER <u>Senate Memorial 65</u>
	ANALYST <u>Sanchez</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			Interstate Stream Commission

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

Relates to House Bill 346, House Bill 498, House Bill 499, Senate Bill 58, Senate Bill 222, Senate Bill 239, Senate Bill 337, Senate Bill 458 and House Memorial 60

Sources of Information

LFC Files

No Response Received
 Office of the State Engineer

SUMMARY

Synopsis of Senate Memorial 65

Senate Memorial 65 seeks to reaffirm legislative support for the role of the Office of the State Engineer and the Interstate Stream Commission in managing water resources with the goal of ensuring compliance with New Mexico’s interstate stream compact obligations. The memorial notes the historical challenges faced by the agency in terms of technical and staff capacity and seeks to express support for the importance of the agency’s mission.

Senate Memorial 65 also requests that the Office of the State Engineer incentivize, participate in, convene, fund, and sponsor a collaborative process for negotiating water shortage sharing agreements among water rights and water permit holders who meet the criteria for alternative administration plans as set for the in the Water Code (Section 72-2 NMSA 1978).

FISCAL IMPLICATIONS

Senate Memorial 65 seeks to reaffirm legislative support for the role of the Office of the State Engineer and the Interstate Stream Commission in managing water resources so as to ensure

compliance with New Mexico’s interstate stream compact obligations. As the mission of the Interstate Stream Commission is currently to do just that, this memorial will have no fiscal impact on the agency.

SIGNIFICANT ISSUES

The text of the memorial sets forth the sponsor’s reasons for wanting to reiterate legislative support for the mission of the Office of the State Engineer and the Interstate Stream Commission. The agency is responsible for the supervision of New Mexico’s water resources, including the measurement, appropriation, and distribution of decreasing supplies. Drought, overuse, and system inefficiencies continue to threaten New Mexico’s water. The Middle Rio Grande is an important section of the river. Its health and efficiency contribute to or detract from New Mexico’s ability to meet its interstate stream compact obligations.

Since 2013, New Mexico and Texas have been involved in litigation because of the past under-delivery of water to Texas. The agency hopes that through innovation, investment, and ongoing collaboration with industry, smaller subdivisions of state governments, and the people who make use of the water from the Rio Grande that they can help to improve New Mexico’s increasingly dire water situation. House Memorial 60 would reaffirm legislative support for that goal.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 346 proposes to amend three sections of Section 72-5 NMSA 1978 (the state water code) to allow forfeiture of a water right not put to beneficial use within 10 years of the effective date of said water rights.

House Bill 498 proposes multiple amendments to the New Mexico Water Code (Section 72-2, NMSA 1978) to clarify the standard of review for appeals as well as the appeal process for rules, regulations, and decisions made by OSE.

House Bill 499 proposes to amend state statute concerning the State Engineer (Section 72-2-1 NMSA 1978) by making grammatical changes and adding language limiting the authority of the State Engineer to the administration of water rights that have been permitted, licensed, or adjudicated in a manner consistent with the doctrine of prior appropriation.

Senate Bill 58 proposes to replace Section 72-14-1 NMSA 1978, “Interstate Stream Commission; creation; membership; organization,” with a new section that revises the membership requirements and qualifications for Interstate Stream Commission (ISC) membership.

Senate Bill 222 proposes amending Section 72-4B-1 (the Water Data Act) to add a new section requiring original documents relating to water rights and water data to remain at all times in the water district where they were originally filed.

Senate Bill 239 proposes amending Section 72-14, NMSA 1978 (Interstate Stream Commission; Protection of Interstate Streams) to create a new Acequia Bureau within the Interstate Stream Commission (ISC).

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Senate Bill 337 proposes a new act authorizing the Interstate Stream Commission (ISC) to make loans and grants to facilitate regional water planning. In addition, the bill requires ISC to create rules and guidelines establishing water planning regions and guidelines these entities must follow.

Senate Bill 458 proposes to amend multiple sections of Section 72 NMSA 1978 (Water Law) pertaining to water use and forfeiture, the leasing and sale of water rights, and the use, sale, or lease of water from the strategic water reserve. Senate Bill 458 also proposes to repeal Sections 72-5-28 NMSA 1978 (Failure to use water) and Section 72-12-8 NMSA 1978 (Water right forfeiture).

Senate Memorial 65 almost exactly duplicates House Memorial 60. However, Senate Memorial 65 adds the following language on page 3, which does not substantively change what the memorial is hoping to accomplish but does add context to the request:

“WHEREAS, precedent exists for voluntary, equitable and compensatory agreements for water use reductions between the state engineer, the interstate stream commission and individual water rights owners in order to meet interstate compact requirements; and”

“WHEREAS, one model of such a precedent is the agreement dated March 25, 2003 between the state engineer, interstate stream commission and Fort Sumner irrigation district;”

SS/al/ne