

AN ACT

RELATING TO WATER RIGHTS; PROVIDING FOR THE PURCHASE OF CERTAIN WATER RIGHTS AND THE DEVELOPMENT OF A STRATEGY AND PLAN BY THE INTERSTATE STREAM COMMISSION; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. FINDINGS AND PURPOSE. --

A. The legislature finds that additional water rights must be purchased and retired in the Pecos River basin by the state of New Mexico to satisfy the requirements and obligations of the Pecos River Compact and the amended decree of the United States supreme court in Texas v. New Mexico, No. 65 original.

B. The purpose of this act is to meet that requirement and to establish a long- and short-term strategy to determine requirements that will need to be met for New Mexico's permanent compliance with the compact and the decree.

Section 2. APPROPRIATIONS-- CONDITIONS. --

A. Subject to the conditions set forth in Subsection B of this section, two million dollars (\$2,000,000) is appropriated from the New Mexico irrigation works construction fund to the interstate stream commission in each of fiscal years 1999 through 2001 for expenditure in

any of the fiscal years for the purpose of retiring water rights along the Pecos River basin and taking other appropriate actions that would effectively aid New Mexico in compliance with the United States supreme court amended decree in Texas v. New Mexico, No. 65 original. Any unexpended or unencumbered balance remaining at the end of fiscal year 2001 shall revert to the New Mexico irrigation works construction fund.

B. The appropriations made in Subsection A of this section are subject to the following conditions:

(1) the interstate stream commission shall review the expenditures of the appropriations made in Subsection A of this section at each of the interstate stream commission's regularly scheduled meetings or as it deems necessary throughout fiscal years 1999 through 2001; and

(2) the interstate stream commission shall, before any purchases of water rights are made using the money appropriated in Subsection A of this section, obtain professionally prepared market or economic valuations or appraisals. The valuations or appraisals along with other relevant considerations shall be the basis for any purchase.

Section 3. APPROPRIATION--PURCHASE OF WATER RIGHTS.--

A. Twelve million dollars (\$12,000,000) is appropriated from the New Mexico irrigation works construction fund to the interstate stream commission for

expenditure in fiscal years 1998 and 1999 for the purchase of water rights along the Pecos River basin pursuant to the provisions of Subsections B and C of this section. Any unexpended or unencumbered balance remaining at the end of fiscal year 1999 shall revert to the New Mexico irrigation works construction fund.

B. The appropriation in Subsection A of this section may only be used for the purchase of water rights or water rights with appurtenant land in the Pecos River basin that would effectively aid the state in complying with the Pecos River Compact and the United States supreme court amended decree in the case of Texas v. New Mexico, No. 65 original.

C. Before any purchase of water rights is made pursuant to this section, the interstate stream commission shall obtain professionally prepared market or economic valuations or appraisals. The valuations or appraisals along with other relevant considerations shall be the basis for any purchase.

**Section 4. APPROPRIATION--LONG-TERM STRATEGY AND SHORT-TERM ACTION PLAN.--**

A. Five hundred thousand dollars (\$500,000) is appropriated from the New Mexico irrigation works construction fund to the interstate stream commission for expenditure in fiscal years 1998 through 2000 for the purpose

of preparing a long-term strategy for the state's permanent compliance with the Pecos River Compact and the United States supreme court amended decree in the case of Texas v. New Mexico, No. 65 original and a short-term action plan for responding to a net shortfall in New Mexico's deliveries to Texas as required by the court decree. Any unexpended or unencumbered balance remaining at the end of fiscal year 2000 shall revert to the general fund.

B. The long-term strategy and the short-term action plan developed by the interstate stream commission pursuant to Subsection A of this section shall be completed and submitted for consideration to the second session of the forty-fourth legislature. Periodically, during the development of the strategy and plan, the commission shall report its progress to the appropriate permanent or interim legislative committees.

C. A significant component of the long-term strategy and short-term action plan developed by the interstate stream commission pursuant to Subsection A of this section will be an analysis of how the long-term strategy and short-term action plan could adversely affect surrounding aquifers, specifically nonreplenishable aquifers such as the Ogallala. \_\_\_\_\_

