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FISCAL IMPACT REPORT

SPONSOR _	Stansb	ury	ORIGINAL DATE LAST UPDATED		HB	298/ec
SHORT TITLE		State Engineer Hearings By Videoconference			SB _	

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	(\$10.0)	(\$20.0)	(\$20.0)	(\$50.0)	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u> Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

The bill amends Section 72-2-16 NMSA 1978 to allow certain hearings before the state engineer related to water rights to be held in Santa Fe or via video conference.

This bill contains an emergency clause and would become effective immediately upon signature by the governor.

FISCAL IMPLICATIONS

According to OSE, HB298 would generate cost savings by eliminating travel and other expenses by hearing unit staff (attorneys, hydrologists, etc.) The average cost associated with holding inperson hearings throughout the state is approximately \$1,300/day or \$18 thousand-\$22 thousand/year.

In addition to cost savings from OSE staff traveling less in the state, OSE believes the bill also reduces costs and other barriers for participation of water rights owners in administrative hearings.

SIGNIFICANT ISSUES

Section 72-2-16 NMSA 1978 currently creates a statutory right for a person to have a hearing before the state engineer enters a decision, acts or refuses to act. The bill would no longer require those hearings be held in the county in which the water right at issue is adjudicated, licensed or permitted. Instead, the hearings would be held in Santa Fe or via video conference at the hearing examiner's discretion, unless the parties and state engineer stipulate another site for the hearing.

OTHER SUBSTANTIVE ISSUES

The bill may result in fewer public forum discussions. Also, not everyone is comfortable with or has the same access to technology. The use of the term "stipulate" in the existing statute is also unclear as to how parties come to agreement on another venue or which party makes the decision.

AHO/rl