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## FISCAL IMPACT REPORT

**BILL NUMBER:** Senate Bill 193

**SHORT TITLE:** Acequia & Ditch Infrastructure Fund Transfer

**SPONSOR:** Campos

**LAST UPDATE:** \_\_\_\_\_      **ORIGINAL DATE:** 2/2/26      **ANALYST:** Davidson

### APPROPRIATION\* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$2,500	Recurring	Acequia and Community Ditch Infrastructure Fund
	(\$2,500)	Recurring	Irrigations Works Construction Fund

\*Amounts reflect most recent analysis of this legislation.

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

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
OSE	Choose an item.	\$130	\$130	\$260	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

## Sources of Information

LFC Files

### Agency or Agencies Providing Analysis

Office of the State Engineer

New Mexico Acequia Association

## SUMMARY

### Synopsis of Senate Bill 193

Senate Bill 193 (SB193) proposes to amend language relating to transfers from the irrigation works construction fund (IWCF) to the acequia and community ditch infrastructure fund (ACDIF), increasing the annual transfer amount from \$2.5 million to \$5 million.

The bill also amends language relating to the transfer from the IWCF to the forest land protection revolving fund (FLPRF), changing the word “distributed” to “transferred.”

The effective date of this bill is July 1, 2026.

## **FISCAL IMPLICATIONS**

Agency analysis from the Office of the State Engineer (OSE) notes that increasing usage of the IWCF has the potential to accelerate this fund's depletion. By doubling the transfer of \$2.5 million to \$5 million from the IWCF to the ACDIF, transfers from the IWCF to either OSE operations or ACDIF uses would total roughly \$11.5 million per year. Current annual expenditures from IWCF are roughly \$9.3 million, already surpassing the fund's average annual revenue of roughly \$7.5 million.

The current balance of the IWCF is \$23.6 million. Agency analysis from OSE also notes doubling the amount of funding for acequia projects could require an increase in the agency's recurring budget of \$130 thousand for one additional personnel to support the increased project workload.

## **SIGNIFICANT ISSUES**

Agency analysis from OSE expressed concerns regarding the overreliance on the IWCF for agency operations. With the addition of the \$2.5 million in new transfers to ACDIF, the agency warns of potential supplementals for agency operations from the general fund.

Analysis from the New Mexico Acequia Association (ACE) notes there are an estimated 700 acequias and community ditches in 23 counties in the state, with an estimated \$62.4 million in requested infrastructure funding for damaged or aging acequias. ACE points to the current approved projects for FY26 by the Interstate Stream Commission's Acequia Bureau is \$5.6 million for 52 projects. ACE notes the gap between the estimated amount of project funding versus the amount currently projected creates consistently unmet needs for the acequias in the state.

ACE notes acequias and ditches also have been heavily impacted by the multiple natural disasters the state has experienced. ACE notes acequias projects can be eligible for federal funding but need the 25 percent state match to receive federal funds, a process the agency notes some acequias do not have the capacity to fulfill. ACE notes the additional recurring funding could help address this delta.

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

Senate Bill 193 is a duplicate of Senate Bill 208 from the 2025 Legislative Session.

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