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FISCAL IMPACT REPORT

ORIGINAL DATE 3/3/15

SPONSOR Cervantes LAST UPDATED _____ HB _____

SHORT TITLE Rules of Priority Administration of Water SB 647

ANALYST Armstrong

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 647.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)
 Attorney General's Office (AGO)
 Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

Senate Bill 647 amends Section 72-2-9.1 NMSA 1978 – by substituting language in one subsection and adding language in another subsection – to clarify that priority administration rules adopted by the State Engineer shall be enforced and be consistent with Article 16 of the New Mexico Constitution and the doctrine of prior appropriation.

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

According to OSE, SB 647 merely sets out the existing state of the law, that all rules adopted by the State Engineer must be consistent with the constitution and statutes. However, it requires the OSE to enforce prior appropriation which is not being done for all water resources.

While the New Mexico Supreme Court has already held the current statute is consistent with the constitution, OSE and AGO note SB 647 could invite a new round of litigation challenging the Active Water Resource Management (AWRM) rules and delaying OSE's ability to promptly implement priority administration.

RELATIONSHIP

Senate Bill 648 restricts OSE's regulatory authority and administrative activities.

JA/bb