

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Gubbels	DATE TYPED:	02/03/00	HB	421
SHORT TITLE:	Administer State Water Banking Program			SB	
				ANALYST:	Pickering

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 100.0	Indeterminate	Indeterminate	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB420 and SB323

SOURCES OF INFORMATION

Office of the State Engineer / Interstate Stream Commission (OSE/ISC)

SUMMARY

Synopsis of Bill

HB421 appropriates \$100.0 from the general fund to OSE for expenditure in FY2001 to establish and administer a state water banking program. Any unexpended or unencumbered balances remaining at the end of FY2001 shall revert to the general fund.

Significant Issues

While both NMDA and OSE listed the appropriation as non-recurring, the bill establishes recurring costs in the form of a water bank director to administer the program. Additionally, the state engineer contends the \$100.0 amount is insufficient to establish and administer a state water bank program pursuant to HB420 and SB323.

FISCAL/ADMINISTRATIVE IMPLICATIONS

According to OSE, a significant portion of the appropriation would go towards the hiring of a full-time water bank director in accordance with HB420 and SB323, which provides for state regional water banks. Remaining funds, if any, would be used to conduct hearings and adopt rules for administration of state regional water banks. If the substantive legislation providing for state regional water banks does not become law, these funds would remain unspent and revert to the general fund at the end of FY2001.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

HB421 would support the functions proposed by HB420 and SB323 relating to state regional water banks. However, the language used in this bill to describe the water banking program is not identical to the language

in the two corresponding bills. One alternative offered by OSE is to replace language in HB420 and SB323 that pertain to "state regional water banks and appointing a full-time water bank director"and insert "for a state water banking program."

Without this legislation, no specific funding will be available to fund the appointment of a full-time water bank director or otherwise fund the establishment and administration of state regional water banks if the two substantive bills become law.

RP/njw:prr