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#### FISCAL IMPACT REPORT

SPONSOR: S	JC	DATE TYPED:	03/06/01	HB	
SHORT TITLE: Place of Use of Water		r Rights		SB	860/SJCS
	ANALYST:				Chabot

## **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring	Fund
FY01	FY02	FY01	FY02	or Non-Rec	Affected
	NFI				

#### SOURCES OF INFORMATION

LFC Files Attorney General (AG) Office of the State Engineer (SEO)

### **SUMMARY**

### Synopsis of Bill

This bill amends Section 72-4-19 NMSA "ADJUDICATION OF WATER RIGHTS—DECREE" to add the following "Adjudication of the place of use of water rights of landowner members within irrigation districts organized pursuant to Chapter 73, Articles 10 and 11 NMSA 1978 who have put project water to beneficial use shall be based on the assessed acreage as carried on the irrigation district's assessment roll."

### **Significant Issues**

This bill would require a water rights adjudication of the place of use for landowners who are members of a duly constituted irrigation district be based on the acreage carried on the irrigation district's assessment roll. This will require SEO to consider the project water placed into beneficial use by an irrigation district when adjudicating individual water rights.

In discussions with members on the New Mexico Association of Conservation Districts, they stated that legislation such as this is needed because individual offers of water rights may affect the district as a whole and that project water that has been put to beneficial use must be a consideration in any adjudication.

In their analysis of SB448, SEO state that changing the method of doing adjudications while they are on-going would raise constitutional issues with those water rights already adjudicated. SEO state that the bill invited "unequal treatment of water users in New Mexico, that is, those within and those without irrigation districts, and may implicate violations of the equal protection clauses of both the

# Senate Bill 860/SJCS -- Page 2

New Mexico and the United States constitutions." Similarly, the AG, in the analysis of SB 448, expressed concerns about statute changes affecting on-going water rights adjudications.

# **ADMINISTRATIVE IMPLICATIONS**

SEO will have to develop new procedures for adjudication within irrigation districts who have put project water to beneficial use.

# **POSSIBLE QUESTIONS**

- 1. Does the language change in the committee substitute bill alleviate the concerns of AG and SEO?
- 2. What is the meaning of "project water" used in the bill?

GAC/ar