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FISCAL IMPACT REPORT



SPONSOR: Foley DATE TYPED: 01/25/02 HB 225

SHORT TITLE: Pecos River Water Rights SB _____

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI				

SOURCES OF INFORMATION

LFC Files
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 225 extends the 1988 appropriation from the Irrigation Works Construction Fund (Laws 1998, Chapter 81, Sections 3 and 4) to the end of fiscal year 2004 for the purpose of purchasing and retiring water rights along the Pecos river basin.

Significant Issues

The state is obligated to meet compact water delivery requirements to Texas and is under a United States Supreme Court (USSC) decree to do so since 1988. The state has been able to meet these requirements; however, it has been barely able to do. The River Master will issue an accounting by May 2002 for calendar year 2001. The state expects that they will meet the requirement but will have used all reserves accumulated since 1987 in doing so. OSE states that water depletions in the Pecos river basin must be reduced or water flow increased in order to meet the compact requirements.

OSE suggests that this bill would allow implementation of an element of the consensus plan developed for compliance with the USSC decree. The current water supply in the Pecos River basin is at below-average levels, and this bill would allow actions to reduce use along the river. Approximately \$4 million dollars remains in the original appropriation.

FISCAL IMPLICATIONS

The bill extends the appropriation until the end of fiscal year 2004. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the Irrigation Works Construction Fund.

TECHNICAL ISSUES

OSE requests the following change: Section 1, item A, line 21 insert after "Chapter 81" the following: "Section 2, for retiring water rights along the Pecos river basin; and Laws 1998,"

GAC/ar