

**NOTE: As provided in LFC policy, this report is intended only 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 (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.**

## FISCAL IMPACT REPORT



SPONSOR: Stell DATE TYPED: 02/04/02 HB 417

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		
		\$0.1 See Narrative		Non-Recurring	OSF

### SOURCES OF INFORMATION

LFC Files  
 New Mexico Environment Department  
 Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 417 extends the 1988 appropriation from the Irrigation Works Construction Fund (Laws 1998, Chapter 81, Sections 2, 3 and 4, Laws 1999 (1<sup>st</sup> S.S.) Chapter 2, Section 84, and Laws 2000 (2<sup>nd</sup> S.S), Chapter 23, Section 95 to the end of fiscal year 2005 for the purpose of purchasing and retiring water rights along the Pecos river basin with the following additional conditions:

1. water rights shall be purchased from willing sellers in an equal percentage, within a two-point range, of the total irrigated acreage in each of the following areas of the Pecos river:
  - (a) from Santa Rosa to Macho draw;
  - (b) from Macho draw to McMillan delta; and
  - (c) from McMillan delta to the Texas state line.
2. the offer for settlement of the Carlsbad irrigation district water rights adjudication shall be based upon the full project water or assessment roles of twenty-five thousand fifty-five acres; and
3. purchases of water rights shall include the appurtenant land.

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.

OSE is concerned that the bill required them to recognize the Carlsbad Irrigation District (CID) claim of having 25,055 acres of irrigated land without finalizing adjudications. In addition, they state that having specified areas for purchase may contribute to an imbalance by purchasing insufficient rights in one area and more than needed in another. Lastly, the purchases of appurtenance of land is only appropriate in CID where water rights are tied to the land. In other areas water rights are not tied to the land.

**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.

**CONFLICTS**

OSE states that the provision for specific purchases by stretch of the Pecos river may conflict with HB 274 and SB 267 which do not have that provision.

GAC/ar