

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 for other purposes.

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 in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Moore DATE TYPED: 03/03/03 HB 862

SHORT TITLE: Eagle Nest Lake State Park SB _____

ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$332.0			Non-recurring	General Fund
	\$320.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		\$19.8	Recurring	OSF

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

- *Report of the Legislative Finance Committee to the Forty-sixth Legislature, First Session, January 2003 for Fiscal Year 2003 – 2004, pp. 390 – 401.*

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 862 appropriates \$652.0 from the general fund to Energy, Minerals and Natural Resources Department (EMNRD) for the purpose of development and operation of a state park at Eagle Nest Lake.

Significant Issues

In addition to the veto override of the state budget, the Legislature, during the 2002 extraordinary session, passed a bill for the purchase of Eagle Nest Lake. Three state agencies (DGF, the State Engineer and the State Parks Division) are negotiating a joint powers agreement for several matters related to managing Eagle Nest Lake. One issue of concern is funding for a state park on the property. House Bill 862 provides funding for development of a state park.

FISCAL IMPLICATIONS

The bill makes an appropriation of \$652.0 from the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

A portion of this funding is non-recurring. EMNRD reports that \$332.0 of the appropriation would be for capital improvements at the park, with the remaining, \$320.0, representing the annual operations cost. According to EMNRD, the recurring amount includes projected operational costs for 6.00 permanent FTE and 4.00 temporary seasonal employees.

Development and operation of a state park would have a minor revenue impact. EMNRD estimates visitation to the park at 25,000 visitors per year, based on the Department of Game and Fish assumption that 11% of New Mexico licensed angler's (25,000 to 30,000) fish Eagle Nest Lake. Using those figures, EMNRD estimates that 25,000 visitors @ \$0.79 per visitor will equate to \$19,750.00 in self-generated revenues per year.

OTHER SUBSTANTIVE ISSUES

Water Rights Dispute at Eagle Nest Lake. Not only did the state take ownership of the lake but it also became responsible for managing flows in and out of the lake to water-rights owners. Several concerns have been raised by water-rights owners, who allege that some owners have been under-allocated, while others have been over-allocated. Adding to these concerns is that the department has contracted with CS Cattle Co, former lake owners, to deliver water from the lake to downstream users. Normally, the Office of the State Engineer would manage this responsibility; however, the roles and responsibilities among state agencies, with regard to management of the lake have not been formalized. Therefore, the State Engineer has been reluctant to get involved in these water rights disputes. This void in oversight is the source of the water-rights owners concern.

MFV/prr