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: SJ	C	DATE TYPED:	03/03/03	HB	
SHORT TITLE: Unused Water Forfeiture Exemption			SB	CS/128/SJCS	
ANALYST:				Chabot	

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 977

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Judiciary Committee Substitute for Senate Conservation Committee Senate Bill 128 amends Section 72-5-18 NMSA 1978 WATER ALLOWANCE by adding "Improved irrigation methods resulting in the conservation of water shall not affect an owner's water rights."

Significant Issues

According to the previous State Engineer, Thomas Turney, at the December 2002 interim Legislative Water and Natural Resources Committee, OSE has not exercised the forfeiture clause on any reduced water use resulting from conservation efforts. This bill would codify this practice.

While the State Engineer supports conservation efforts, the agency is concerned taking any water being saved due to improvements in irrigation, and then put to additional beneficial use, will increase depletions of water in the system. The goal needs to be to keep the system in balance by increasing return flows to the river and not developing new uses.

CS/ Senate Bill 128/SJCS -- Page 2

POSSIBLE QUESTION

1. Is there an incentive to an irrigator to conserve water if the savings cannot be put to beneficial use?

GAC/prr