

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: Stewart DATE TYPED: 02/03/02 HB 260

SHORT TITLE: State Water Plan SB _____

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act: The 2002 General Appropriations Act appropriates \$500.0 as a special appropriation for development of regional and a framework water plan.

Duplicates SB 195

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Game and Fish (DGF)

Energy, Minerals and Natural Resources Department (EMNRD)

New Mexico Department of Agriculture (NMDA)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 260 enacts new statute and amends Section 72-4A-2 NMSA 1978 to require the Interstate Stream Commission (ISC) to develop a comprehensive, coordinated state water plan. The plan will consist of the following: public notice, review and comment; historic and prevailing uses; inventory of water resources; water budgets; management and policy issues impacting the resource; common priorities and goals; water conservation as the first water supply alternative; Native American water rights; the connection between water availability and land use; integration of region water plans; and appropriate water management strategies. ISC shall convene a

committee of regional water planners and stakeholders to develop the plan and submit to the Legislator and Governor annually suggestions for legislation and funding. The bill stipulates no water planning grants may be made unless the entity is part of a regional planning group. The plan will be updated every five years. Regional water plans must also be updated every five years and incorporated in the state water plan.

Significant Issues

The Legislature began authorizing regional water plans in 1987, but has been reluctant authorize a state plan. To date, all 16 planning regions have initiated plan development and four plans have been adopted by ISC. These plans are all in the southeast corner of the state and are from the Estancia Basin, Tularosa Basin, Lower Pecos Valley and Lea County. To encourage development of regional plans, ISC has issued grants and matching funds to water planning districts. Significant progress is now being made and ISC hopes to adopt the remaining plans within two years. There is a growing consensus that it is time to develop a comprehensive statewide water plan integrating the local plans into the overall plan.

ISC points out current planning efforts are being done by term employees under special appropriations. To develop a planning structure with recurring updates, ISC needs a permanent planning staff with continuing appropriations through the agency operating budget.

EMNRD states that this bill would considerably change the agency's role in drought planning. Executive Order 98-41 named the agency secretary as the drought task force chairman coordinating cabinet agency efforts. This bill would put all water planning, including drought, under the ISC.

FISCAL IMPLICATIONS

House 260 contains no appropriation; however, continuing appropriations will be required to carry out the provisions of the bill. The Legislature has funded the planning effort by annual, special appropriations. The planning process needs to be funded through the agency operating budget to ensure annual funding. The amount indicated in the Appropriation table is based upon the existing special appropriation in the 2002 General Appropriation Act.

ADMINISTRATIVE IMPLICATIONS

The ISC will need to determine how to integrate regional plans into a state plan and how to ensure "other stakeholders" are part of the process in the development of the state plan.

TECHNICAL ISSUES

The term "other stakeholders" on page 4, line 2 is not defined in the bill and could be subject to differing interpretations.

ISC recommends striking the underlined phrase on page 5, lines 12-13 and replacing it with "consistent with state water plan policies."

ISC recommends that the following should be inserted after (4) on page 6, line 8:

C. qualifying projects shall have State Engineer permitted water rights for the water use envisioned by the project, not have adverse impacts on species protected by the federal Endangered Species Act and not have an adverse effect on water management strategies that allow compliance with interstate compacts.

POSSIBLE QUESTIONS

1. How long will it take ISC to develop the state water plan?
2. What are the ISC staffing requirements to develop the state water plan?
3. Will the Legislature be required to provide funding for the updates of the regional plans?
4. What is the estimated funding ISC needs annually to comply with the requirements of this act?

GAC/njw