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FISCAL IMPACT REPORT

SPONSOR: Smith DATE TYPED: 03/15/03 HB _____
 SHORT TITLE: 40 Year Water Use Planning for Utilities SB 692/aSfI#1
 ANALYST: Chabot

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Office of the State Engineer (OSE)

SUMMARY

Synopsis of SFI Amendment

The Senate Floor Amendment #1 amends the bill to change utilities to “water public utilities regulated by the Public Regulation Commission” as recommended by OSE. This would include these entities as being required to have a 40-year water plan.

Synopsis of Original Bill

Senate Bill 692 adds Public Utilities supplying water to persons other than municipalities or counties to the list of entities requiring a 40-year water plan.

Significant Issues

OSE identifies three issues with the bill:

1. By proposing to change public utilities “supplying water to municipalities and counties” to “any person”, this bill would effectively preclude class A, B and H counties as well as all municipalities from benefiting from the 40-year planning statute. These counties do not fall under the definition of “any person” and are defined in Section 4-36-10, Section

4-36-8 and Section 62-6-65 NMSA 1978. The primary purpose of the 40-year water plan is to ensure a supply of water.

2. The Public Utilities Act is repealed as of July 1, 2003 and, presumably, any entity could call itself a public utility and supply water to “any person”. This could “wreck havoc on state water law.”
3. The inclusion of public utilities in the statement on page 2, lines 3-8 is incorrect since they were never included in the State Engineer’s administrative policy.

TECHNICAL ISSUES

OSE recommends the following technical changes:

1. On page 2, line 5 strike “public utilities”.
2. If the bill is to be amended to making the forty-year planning horizon available to public utilities supplying water to entities smaller than municipalities or counties, the following is also recommended:
 - a. On page 2, line 1 after the word “and” insert “water” and after the word “utilities” insert “regulated by the public regulatory commission”.
 - b. On page 2, lines 1 and 2 strike “supplying water to municipalities or counties to any person”.
 - c. On page 2, line 11 after the word “and” insert “water” and after the word “utilities” insert “regulated by the public regulatory commission”.
 - d. On page 2, lines 11 and 12 strike “supplying water to municipalities or counties to any person”.
 - e. On page 2, line 22 after the word “and” insert “water” and after the word “utilities” insert “regulated by the public regulatory commission”.
 - f. On page 2, lines 22 and 23 strike “supplying water to municipalities or counties to any person”.

GAC/njw:yr