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FISCAL IMPACT REPORT

SPONSOR Cisneros DATE TYPED 2/2/04 HB _____

SHORT TITLE Critical Management Area Administration SB 366

ANALYST Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$300.0		See Narrative	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 89 and HB 196.

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the State Engineer
Environment Department

SUMMARY

Synopsis of Bill

Senate Bill 366 appropriates \$300 thousand from the General Fund to the Office of the State Engineer for expenditure in FY05 to administer critical management areas. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the General Fund.

Significant Issues

- This appropriation is intended to support recurring costs within the Office of the State Engineer. More than 133 FTE, nearly one-third of the Office, perform core recurring functions are supported through special, “non-recurring” appropriations. The Legislative Finance Committee has recommended finding recurring revenues to support these recurring costs.

- Other legislation under consideration (SB 89 and HB 196) attempt to define “critical management area” and give meaning to the “administration” of such areas. This additional guidance should accompany the appropriation proposed in SB 366.

ADMINISTRATIVE IMPLICATIONS

The Office of the State Engineer notes:

- The bill does not provide for the recurring funding and continued administration of these Critical Management Areas. The administration will not cease after one year.
- The absence of the appropriation will only exacerbate the administrative burden and stress of the limited staff within the office of the state engineer.

RELATIONSHIP

The Environment Department notes:

- Senate Bill 366 is related to Senate Bill 89 (SB 89) and House Bill 196 (HB 196), both of which refer to Active Resource Water Management. SB 89 and HB 196 both grant the State Engineer the authority to deny domestic well permits in critical management and contaminated areas. Senate Bill 366 does not grant the same authority.

TECHNICAL ISSUES

The Environment Department notes:

- Senate Bill 366 does not define a “critical management area” or what “administering” these areas means. Since the appropriation is for a single fiscal year and no goal/outcome is stated (i.e. deny domestic well permits, etc), it can be assumed that “administer” means to merely identify these areas.

OTHER SUBSTANTIVE ISSUES

Other related bills incorporate water quality into the management of critical areas. Senate Bill 366 does not tie in water quality. Water quality is equally important in managing water resources. Approximately 90% of New Mexicans rely on ground water for their drinking water needs. Once the resource is contaminated it is no longer usable, and extremely expensive, time consuming and often difficult to clean up.

SJM/lg