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FISCAL IMPACT REPORT

SPONSOR Nunez **DATE TYPED** 01/24/05 **HB** 88

SHORT TITLE Goat and Salt Cedar Removal Pilot Program **SB** _____

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$1000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

New Mexico Environment Department (NMED)

New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD)

SUMMARY

Synopsis of Bill

House Bill 88 appropriates \$1 million from the general fund to the Board of Regents of New Mexico State University for a program that will utilize goats to remove salt cedar and other non-native phreatophytes to improve water flow within the Rio Grande and to improve the habitat of endangered species.

Significant Issues

The New Mexico Department of Agriculture indicates there is currently a \$100,000 goat pilot project underway to remove salt cedar in the middle Rio Grande conservancy district. Since salt cedar is known to use more water than native vegetation, removal of such nonnative

phreatophytes may result in increased water yield. Furthermore the middle Rio Grande Valley is known habitat for the endangered willow flycatcher and the silvery minnow, both species requiring riparian habitat for survival. Improvements to riparian habitat may result in better habitat for the above named species. Several additional issues are reflected in the analyses submitted by the responding agencies, including:

- Stands of non-native salt cedar trees are vulnerable to wildfire and are actually invigorated when burned. High intensity bosque fires often damage native riparian vegetation.
- The New Mexico Environment Department is responsible for ensuring that surface water quality is protected and water quality standards complied with. Effective post-removal native species revegetation implementation is critical to ensuring that the quality of the state's limited water resources is protected.
- If not properly implemented, phreatophyte removal could induce bank destabilization that in turn would increase the risk of erosion leading to water quality impacts, sedimentation and diminished capacity of the state's reservoirs.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The New Mexico Department of Agriculture would be the pass-through agency for this appropriation and would retain oversight of the program.

OTHER SUBSTANTIVE ISSUES

This program was not included in the FY05-06 higher education funding recommendations of the New Mexico Commission of Higher Education.

BFW/lg/njw