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## FISCAL IMPACT REPORT

SPONSOR Campos, Jose      DATE TYPED 02-15-05      HB 864

SHORT TITLE De Baca Soil & Water Salt Cedar Control      SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$150.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for New Mexico State University in the General Appropriations Act  
 Relates to HB88, SB696, HB89/a

### 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 (EMNRD)

### SUMMARY

#### Synopsis of Bill

House Bill 864 – Making an Appropriation for Salt Cedar Control in the De Baca Soil and Water Conservation District – appropriates \$150,000 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY06 to continue salt cedar control efforts in the De Baca Soil and Water Conservation District, including restoration of riparian vegetation, monitoring and long-term management and maintenance in accordance with established templates and protocols. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

#### Significant Issues

NMDA indicates that significant issues relate to the importance of removing non-native vegeta-

tion and enhancing water supplies. Stands of non-native salt cedar trees are vulnerable to wild-fire, but regeneration increases when burned. Bosque fires often damage native riparian vegetation. Streamside stands of salt cedar are believed to move significant amounts of water through the leaves and release the moisture into the atmosphere (evapotranspiration). It may be possible to improve stream flows by removing these species, but that has not been established to a scientific certainty.

NMDA further notes that this bill recognizes the importance of restoration, monitoring and long-term management in the overall program to remove non-native phreatophytes. Restoration assures that stands of salt cedar are replaced with appropriate vegetation so that the soil does not erode, water quality remains unaffected by the projects and the land remains productive. Monitoring assures that appropriate management practices are used and provides a reference for land managers to apply lessons learned on future projects for effective long-term management. It is unclear how the restoration, monitoring and long-term management can effectively take place with a non-recurring one year appropriation that reverts to the general fund at the end of a fiscal year.

NMED also observes that removal of phreatophytes, including salt cedar and Russian olive, is purported to reduce evapotranspirative water losses from New Mexico's ground and surface water resources and enhance the State's ability to meet interstate compact delivery requirements. 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. Effective revegetation with native species is necessary to minimize this possibility, and should be a funded, mandatory component of every phreatophyte eradication project.

## **PERFORMANCE IMPLICATIONS**

EMNRD suggests that this legislation may indirectly benefit the Forestry Division's efforts to restore the health of riparian ecosystems. Removing stands of salt cedar and replacing them with native vegetation will reduce the risk and intensity of wildfires and make wildfire suppression in treated riparian areas less costly.

## **FISCAL IMPLICATIONS**

The appropriation of \$150,000 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**

EMNRD observes that funding for non-native phreatophyte control projects has been appropriated since FY 02 and the riparian areas in the state continue to require a significant amount of restoration. These efforts may be better served by establishing an agency or agencies, with a recurring appropriation, that will have responsibility for overseeing phreatophyte management statewide.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

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

Relates to HB89/a in that HB89/a seeks to appropriate \$10 million from the general fund to the Board of Regents of New Mexico State University to conduct a statewide non-native phreato-phyte removal program for expenditure in FY06.

Relates to HB88 in that HB88 seeks to appropriate \$1 million from the general fund in FY06 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

Relates to SB696 in that SB696 seeks to appropriate \$10,000,000 from the general fund in FY06 to the Board of Regents of New Mexico State University through the Soil and Water Conservation Districts to conduct a statewide nonnative phreatophyte removal program, including restoration of riparian vegetation, monitoring and long-term management and maintenance in accordance with established templates and protocols.

## **OTHER SUBSTANTIVE ISSUES**

EMNRD indicates that the 2004 legislature appropriated funds for non-native phreatophyte programs with \$2.4 million earmarked for eradication and control, and another \$2.4 million designated for restoration and revegetation of native species, including monitoring, revegetation, rehabilitation and long-term strategic planning. From this latter appropriation, up to \$500,000 was reserved to fund an inter-agency work group charged with developing a statewide policy and plan to guide future treatment and to provide templates and protocols for monitoring, revegetation, rehabilitation and long-term watershed management. Both appropriations run through FY06. Expenditure of the \$2.4 million for eradication and control was made contingent upon the development of the policy and plan. The appropriations were limited to the Canadian and Pecos Rivers and the Rio Grande.

EMNRD adds that the interagency work group consists of the Departments of Agriculture, Energy, Minerals and Natural Resources, Environment, Indian Affairs and the Office of the State Engineer. The plan and policies mandated are in interim final draft form, including the templates and protocols called for, and the plan will be completed in final form prior to the start of FY06. The implementation section of the plan recognizes that a set of priorities must be established on a statewide level for non-native phreatophyte treatment and restoration efforts. Appropriating funds to a particular soil and water conservation district may or may not represent an appropriate priority.

BFW/yr