

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may 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 Rawson **ORIGINAL DATE** 2/3/2006
LAST UPDATED 2/5/06 **HB** _____
SHORT TITLE Colorado River Litigation **SB** 403
ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$1,000.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to: SB 402

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Bill 403 appropriates \$1,000,000 from the General Fund to the Office of the Attorney General (AGO) for expenditure in FY 2007 and subsequent fiscal years to prepare litigation on disputes over the Colorado River and the Colorado River Compact.

FISCAL IMPLICATIONS

Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the General Fund.

SIGNIFICANT ISSUES (OSE)

New Mexico has been actively involved in negotiations relating to potential litigation among the seven states that are parties to the Colorado River Compact. These issues are very contentious and could evolve into active litigation with little advanced notice. The litigation would involve a

conflict between upper basin states of New Mexico, Colorado, Wyoming and Utah and the lower basin states of Arizona, Nevada and California. The lower basin states have extensive financial resources with which to fund litigation. Their current levels of growth also provide strong incentive to them to initiate litigation to protect their current and future water supplies. This appropriate will provide important funding to support potential interstate litigation.

ADMINISTRATIVE IMPLICATIONS

The OSE/ISC will coordinate the interstate litigation activities with the Attorney General's office.

RELATIONSHIP

Senate Bill 402 appropriates \$3,000,000 to the Interstate Stream Commission to address surface water and ground water management issues in the lower Rio Grande basin and to protect the state's entitlement to waters under the Colorado River Compact and the Rio Grande Compact

BMC/mt