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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-13-07

SPONSOR Stewart LAST UPDATED \_\_\_\_\_ HB 755

SHORT TITLE Endangered Species Collaborative SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Game and Fish (DGF)

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 755 seeks to appropriate \$2,000,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2008 to support the endangered species collaborative. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

### FISCAL IMPLICATIONS

DGF notes that this appropriation will go toward meeting the State's obligation as a participant in the Rio Grande Collaborative Program. In collaboration with numerous federal agency's and other stakeholder, various State agencies (including Interstate Stream Commission, Department of Game and Fish, Attorney General's Office, Environment Department, and Department of Agriculture) have agreed to participate in the program to protect and improve the status of listed species in the Middle Rio Grande while simultaneously protecting existing and future water uses and to contribute to recovery of those species, all the while complying with state and federal law, including compact delivery obligations. As part of the agreement, the state is obligated to

provide 25 percent of the funding which will then be leveraged with 75 percent federal funds. The estimated cost of the program is \$30,000,000 over the next 10 years.

OSE indicates that the Middle Rio Grande Endangered Species Act Collaborative Program was established in 2001 for the purpose of protecting and improving the status of endangered species in the Middle Rio Grande while simultaneously protecting existing and future water uses from potential court-mandated takings. The Program's primary goal is to achieve long-term solutions to Middle Rio Grande endangered species issues while complying with state and federal law including New Mexico's Rio Grande Compact delivery obligations. The Program serves as the basis for compliance with Sections 7 and 9 of the ESA for all middle valley water users. The program is a consortium of federal, state, local, tribal and non-governmental parties working in a collaborative manner that has been successful in securing over \$50 million from Congress since 2001.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

OSE suggests that the \$2,000,000 would not be available for use in fiscal year 2008 for New Mexico's share of projects designed to increase the viability of endangered species within the Middle Rio Grande. Middle valley water users may face liability under Sections 7 and 9 of the Endangered Species Act and potential court-mandated takings of water.

DGF adds that the state will be unable to meet its financial obligations under the Collaborative Program agreement, and federal funds will not be leveraged. As a result, the Collaborative Program may fail and conflicts between water use and availability and the endangered species requirements may escalate.

### **PERFORMANCE IMPLICATIONS**

DGF states that, the funds, "...will help the State meet its obligations under the agreement that established the Collaborative Program."

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The State will be unable to meet its financial obligations under the Collaborative Program agreement, and federal funds will not be leveraged. As a result, the Collaborative Program may fail and conflicts between water use and availability and the endangered species requirements may escalate.

### **AMENDMENTS**

OSE proposes that the text of the bill should be amended to accurately reflect the precise name of the collaborative program:

On page 1, line 18, strike "endangered species collaborative" and insert in lieu thereof "middle Rio Grande endangered species act collaborative program".