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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-26-07

SPONSOR Harden LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Statewide Water Projects SB 485

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	225,000.0	Non-recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB274

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

Senate Bill 485 seeks to appropriate \$225 million from the general fund to the Office of the State Engineer for expenditure in fiscal years 2007 through 2010 to initiate, plan and implement the following projects in the following amounts:

- \$75 million for Indian water rights and regional community settlements, including the Navajo, Taos and Aamodt settlements;
- \$30 million for the Pecos river settlement;
- \$30 million for the middle Rio Grande collaborative program;
- \$40 million for the Ute pipeline project; and
- \$50 million for acequia and dam safety improvements statewide.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

This legislation carries emergency language.

### **SIGNIFICANT ISSUES**

OSE indicates that \$225 million is the amount of state funding needed for water projects that are ready to proceed. In a presentation to the Interim Water and Natural Resources Committee in 2005, the figure of \$280 million was used as the amount of State funding needed for water projects that are ready to proceed. In any case, some projects require federal appropriations as well and OSE advises that major assumptions underlying fiscal impact should be documented.

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

OSE notes that SB485 and HB274 both provide for appropriations for statewide water projects. These bills conflict in some respects. HB274 would appropriate \$280 million for water projects of statewide significance, in contrast to the \$225 million appropriation provided for by SB485. HB274 would provide \$75 million in funding for Indian water rights settlements; SB485 appropriates this amount for both Indian water rights and regional community settlements. Under HB274, \$48 million would be appropriated to the Interstate Stream Commission for the Pecos River Compact settlement; SB485 appropriates \$30 million to the state engineer for this settlement. HB274 would appropriate \$70 million to the Interstate Stream Commission for the Ute Pipeline project; SB485 appropriates \$40 million to the state engineer for this project. HB274 would appropriate \$44 million to the New Mexico irrigation works construction fund for acequia and dam safety improvements; SB485 appropriates \$50 million to the state engineer for such projects. In addition, HB274 also would appropriate to the interstate stream commission \$6 million for the La Plata conservancy district's cost share of the Animas-La Plata project and \$7 million for the Gila River settlement in the federal Arizona Water Settlements Act. SB485 would not fund these projects.

OSE adds that under HB274 any unexpended or unencumbered balance remaining at the end of fiscal year 2008 would not revert to the general fund. Under SB485, any unexpended or unencumbered balance remaining at the end of fiscal year 2010 would revert to the general fund.

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

OSE suggests that the “significant water needs of the state and its citizens and the state’s obligations in compacts with other states may not be met.”

BFW/csd