

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 Vigil **ORIGINAL DATE** 02/14/09
LAST UPDATED 02/19/09 **HB** 713/aHAGC
SHORT TITLE El Pueblo Ditch Federal Loan Repayment **SB** _____
ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	\$61.0	Nonrecurring	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to N/A

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the State Engineer (OSE)

SUMMARY

Synopsis of HAGC Amendment

House Agriculture and Water Resources Committee amendment to House Bill 713, clarifies that the loan is not “federal” in nature, but rather a loan provided by the Interstate Stream Commission from the Irrigation Works Construction Fund. (See *Significant Issues* below)

Synopsis of Original Bill

This legislation seeks to appropriate \$61,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2010 to repay a federal loan to El Pueblo ditch in San Miguel County. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

FISCAL IMPLICATIONS

It is noted that, according to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

OSE states: “[The] appropriation request will be used to pay off a loan provided by the Interstate Stream Commission from the Irrigation Works Construction Fund. This is not a federal loan. The loan is the 7.5% cost share responsibility of the ditch for an ISC 1113 cost share project completed in 2004. Total amount borrowed by the El Pueblo Ditch, San Miguel County, in May 2008, was for \$60,000. Interest will have been accrued by May 2009.”

PERFORMANCE IMPLICATIONS

None suggested by respondent.

ADMINISTRATIVE IMPLICATIONS

OSE indicates that the Interstate Stream Commission will have to prepare the administrative documentation if the appropriation is made.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

OSE indicates that El Pueblo Ditch may not be able to make the loan payment and ISC may have an outstanding loan on their books.

AMENDMENTS

OSE suggested the following as a *Technical Issue*: ‘Line 18 Cross out words “federal loan” and insert the words “state loan from the Interstate Stream Commission Irrigation Works Construction Fund” before the words “El Pueblo ditch.....’

BW/mc:svb