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FISCAL IMPACT REPORT

SPONSOR Trujillo, Ch **ORIGINAL DATE** 01/30/14
LAST UPDATED 01/31/14 **HB** 179

SHORT TITLE Lower Rio Grande Water Management **SB** _____

ANALYST Chavez

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|--------|------------------------------|------------------|
| FY14 | FY15 | | |
| | \$50.0 | Nonrecurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Relates to HM 32

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 179 appropriates \$50 thousand from the general fund to New Mexico State University for the New Mexico Department of Agriculture (NMDA) to contract with a lower Rio Grande water rights organization to develop a water management plan to help lower Rio Grande farmers manage their irrigation waters more effectively and efficiently.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 not shall revert.

This is a new appropriation for FY15 and is not included in HB 2.

SIGNIFICANT ISSUES

OSE reports that, due to reduced surface water allocations caused by the 2008 Rio Grande

Project operating agreement and, more recently, extreme drought, Lower Rio Grande farmers have had to pump more groundwater in the past 6 years than in the past to meet crop demand. A plan that provides possible approaches to farmers to better manage their available irrigation water and to address salt accumulation issues on crop germination and yield could be beneficial.

RELATIONSHIP

HM 32 requests the New Mexico Water Resources Research Institute present water policy options, including efficiency, watershed restoration and desalination, to the interim committee responsible for water and natural resources by December 2014.

OTHER SUBSTANTIVE ISSUES

OSE is unsure if there is an existing lower Rio Grande water rights organization that could perform the services outlined in the bill.

KC/ds