FISCAL IMPACT REPORT

	ORIGINAL DATE	02/02/14	
SPONSOR Cisneros	**LAST UPDATED**	02/03/14	**HB**
SHORT TITLE Acequia and Community Ditch Act Purposes		**SB**	224

ANALYST Hartzler-Toon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	**FY15**		
	$150.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	**FY15**	**FY16**	**3 Year Total Cost**	**Recurring or Nonrecurring**	**Fund Affected**
Total		$150.0	$150.0	$300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act: Section J Higher Education, New Mexico State University, New Mexico Department of Agriculture

Duplicates HB 257

SOURCES OF INFORMATION
LFC Files

Responses Received From
New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 224 appropriates $150 thousand dollars from the general fund to the acequia and community ditch fund (ACDF) to carry out the purposes of the Acequia and Community Ditch Fund Act. The ACDF is a nonreverting fund administered by the NMDA.

FISCAL IMPLICATIONS

The appropriation of $150 thousand dollars contained in this bill is a recurring expense to the general fund, for expenditure in FY15 and subsequent years. Any unexpended or unencumbered balance remaining at the end of FY15 shall not revert to the general fund.

In FY14, NMDA's $11 million general fund appropriation included $536.3 thousand for the ACDF.   As fund administrator, NMDA may expend funds for the purposes of contracting with acequia and ditch associations involved in adjudications to provide assistance, including historical studies, economic impact reports, expert witness fees, legal fees and other technical services related to the adjudication process. (See Section 73-2A-3 NMSA 1978.) For FY15, the LFC and Executive recommended the FY14 general fund appropriation levels, including $536.3 thousand for the ACDF. If either recommendation and SB 224 were enacted, the fund's general fund appropriation would total $686.3 thousand, a 28 percent increase over FY14 levels and back to the FY08 highest general fund appropriation level.

SIGNIFICANT ISSUES

NMDA reports that demand for ACDF resources significantly exceed the amount of funds made available annually.

Fiscal Year	Total Funds Requested (in thousands)	Total General Funds Appropriated (in thousands)
2010	$1,748.9	$586.6
2011	$1,655.0	$586.6
2012	$1,381.0	$536.3
2013	$1,350.0	$536.3
2014	$1,248.4	$536.3

DUPLICATION, RELATIONSHIP

SB 224 duplicates a line-appropriation in the General Appropriation Act (GAA), Section 4, New Mexico State University, New Mexico Department of Agriculture and HB 257.

OTHER SUBSTANTIVE ISSUES

According to the New Mexico Acequia Association,

> Acequias and community ditches are a unique and vital part of New Mexico's culture and economy. Acequias are local units of government that have allocated irrigation water for centuries in New Mexico and they continue to manage a significant amount of surface water rights in the state. Their continued role in water management and agriculture and

their special place in New Mexico's cultural heritage make acequias a vital part of the state's future. The ACDF was created by statute in 1988 by the State Legislature to ensure that acequias and community ditches receive fair and equitable treatment in the adjudication process.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Demand for resources will continue to exceed available revenues at a higher rate than in prior years.

THT/ds