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## FISCAL IMPACT REPORT

**ORIGINAL DATE**  
**SPONSOR** Pirtle **LAST UPDATED** 01/30/15 **HB** \_\_\_\_\_

**SHORT TITLE** State Engineer Locations **SB** 276

**ANALYST** Sanogo

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$50.0	\$50.0	\$100.0	Recurring	OSE Operating Budget

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### RESPONSES RECEIVED FROM

Attorney General's Office (AGO)  
 Office of the State Engineer (OSE)

### SUMMARY

SB 276 would limit the location where a state engineer hearing can be held to the county in which the water right at issue is adjudicated, licensed or permitted, unless the parties and the state engineer agree to another site for the hearing.

### FISCAL IMPLICATIONS

The Office of the State Engineer (OSE) argues that SB 276 would necessarily require increased travel by its staff. The agency estimates that based on the administrative caseloads in recent years, the additional operating budget of increased travel will cost between \$40 thousand and \$50 thousand per fiscal year.

### SIGNIFICANT ISSUES

Currently, the state engineer or the hearing examiner can select the location of a hearing to maximize the convenience and efficiency of the process for the involved parties. OSE reported that between 2009 and 2013, 63 percent of hearings were originally proposed at locations outside of Santa Fe. However, the agency stated that:

Many applicants throughout the state request[ed] that their hearings be conducted in Santa Fe in

order to avoid additional attorney and expert witness fees because their attorneys and expert witnesses are located in Santa Fe or Albuquerque.

**TECHNICAL ISSUES**

OSE highlighted an instance of ambiguity in the language of SB 276, providing the following:

SB 276...does not distinguish between evidentiary hearings and non-evidentiary pretrial proceedings....Hearing examiners routinely allow parties to attend such [non-evidentiary] proceedings by telephone. SB 276 may invite litigation over whether the state engineer's hearing examiners must travel to the county...to conduct even non-evidentiary motions...

AIS/bb