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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/15

SPONSOR Lopez LAST UPDATED _____ HB _____

SHORT TITLE Development Moratorium From Water Shortage SB SM 80

ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Division (EDD)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Memorial 80 requests Bernalillo, Sandoval, and Valencia counties, as well as the municipalities of Albuquerque, Belen, Bernalillo, Los Lunas and Rio Rancho to:

- Consider imposing a temporary moratorium on the approval of new development with more than five hundred dwelling units pending confirmation that there will be a sufficient supply of water to serve the needs of such new development.
- Provide for a comprehensive study of the water supply in their jurisdictions, including the prospect for an adequate supply of water to serve the needs of anticipated major new large-scale development and of the impact of proposed major new large-scale development on the health of the regional population

FISCAL IMPLICATIONS

Senate Memorial 80 carries no appropriation and has no fiscal impact on state agencies.

The fiscal implications will be to the local governments, county and municipality and are likely substantial. The local governments will have to seek funds for providing the Comprehensive

Study. In some cases, these funds will likely be requested from the State.

SIGNIFICANT ISSUES

The state continues to experience a drought of historic proportions and additional development in the communities cited in the memorial will likely result in an increased demand for water, therefore careful planning is critical. SM 80 would put a temporary halt to further large-scale developments in the counties and municipalities cited in order to study water availability in these areas.

OSE analysis states: “The regional water planning process is designed to provide a forum for regional stakeholders to address the concerns stated in this memorial, including projected water supply and projected water needs.” Thus, SM 80 would seem to duplicate efforts already underway as a part of the regional water planning process, some of which are detailed here: <http://www.ose.state.nm.us/Planning/index.php> and also here: http://www.ose.state.nm.us/Planning/regional_water_plans.php

Pursuant to Section 47-6-11.2 NMSA 1978, the OSE is granted the authority to evaluate proposed water supplies for subdivisions containing ten or more parcels, any one of which is two acres or less in size.

For developments which are subject to the OSE review pursuant to Section 47-6-11(F) NMSA 1978, the state engineer is charged with determining whether the subdivider can furnish water sufficient in quantity to fulfill the maximum annual water requirements of the subdivision, including water for indoor and outdoor domestic uses, and whether the subdivider can fulfill the proposals in the sub divider’s disclosure statement concerning water, excepting water quality.

The State Engineer also chairs The Governor’s Drought Task Force which includes experts in water, the environment, wildfires, New Mexico recreation, agriculture and health and which provides monthly status reports across these sectors.

OTHER SUBSTANTIVE ISSUES

Although this memorial addresses water use by housing developments, it fails to address other high water users such as manufacturing and other industrial enterprises looking to start up operations in these communities.

RELATIONSHIP

SB 400 Update State and Regional Water Plan.

TECHNICAL ISSUES

SM 80 requires that the cities and counties named provide a comprehensive study on the water supply in their jurisdiction. It is not clear to whom these comprehensive plans are to be provided, or by when.