

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 and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov).

FISCAL IMPACT REPORT

Herrera/Castellano/
 Ortez/Romero, A./ **ORIGINAL DATE**
SPONSOR Lente **LAST UPDATED** 02/01/22 **HB** 121

SHORT TITLE Acequia & Community Ditch Fund **SB** _____

ANALYST Wan

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$400.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI			N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 46

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Agriculture (NMDA)

Office of the State Engineer (OSE)

Other Responses

New Mexico Acequia Association

SUMMARY

Synopsis of Bill

House Bill 121 appropriates \$400 thousand from the general fund to the acequia and community ditch fund for expenditure in FY23 and subsequent fiscal years to carry out the purpose of the Acequia and Community Ditch Fund Act – to provide financial assistance to acequias and community ditch systems to develop hydrological studies, acquire technical and legal research,

and other information and services necessary to conserve and protect water for New Mexico's future through the adjudication of water rights.

FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

The acequia and community ditch fund is administered by the New Mexico Department of Agriculture (NMDA) through annual grant awards available to regional acequia associations. Grant applications are selected by a committee consisting of the NMDA Secretary, the Chairman of the Interstate Stream Commission, and the Chair of the New Mexico Acequia Commission. For FY22, the Legislature appropriated \$602.3 thousand, and grant applications totaled \$926 thousand.

The New Mexico Acequia Association points out that the Office of the State Engineer requested FY23 operating budget increases for water rights settlement negotiation and implementation and, as political subdivisions of the state, acequias and community ditches should receive equitable funding for the same purpose.

CW/acv