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FISCAL IMPACT REPORT

SPONSOR:	Madalena	DATE TYPED:	02/04/00	HB	446/aHENRC
SHORT TITLE:	Placitas Geohydrological Study			SB	
				ANALYST:	Pickering

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 200.0			Non-Rec	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

LFC Files

Office of the State Engineer/Interstate Stream Commission (OSE/ISC)

SUMMARY

Synopsis of HENRC Amendment

The House Energy and Natural Resources Committee amended HB446 by deleting language that appropriates the money to the state engineer and included language for the Local Government Division of the Department of Finance and Administration to receive the \$200.0 appropriation.

Synopsis of Bill

HB446 appropriates \$200.0 from the general fund to Office of the State Engineer (OSE) for expenditure in FY2001 to complete the second phase of a geohydrological study of the Placitas area in Sandoval county. Any unexpended or unencumbered balance remaining at the end of FY2001 shall revert to the general fund.

Significant Issues

OSE reported that it has not received funding in the past to conduct a Phase One geohydrological study of the Placitas area. Accordingly, the agency may not be the appropriate agency to administer the project. OSE reports that the New Mexico Bureau of Mines and Mineral Resources is presently finalizing a geohydrologic study of the Placitas area and may be the appropriate agency to oversee this work if they are conducting Phase One. For OSE to administer the appropriation, information on Phase One would be required including a clear definition of objectives to be achieved.

FISCAL IMPLICATIONS

The bill would appropriate \$200.0 from the general fund. OSE contends that monitoring activities may result in recurring costs. HB 446 would increase agency costs, but these could be absorbed. These costs would be

minimized by directing funds to the agency conducting Phase One.

ADMINISTRATIVE IMPLICATIONS

OSE will be required to administer the appropriation. No additional FTE would be required.

OTHER SUBSTANTIVE ISSUES

The agency stated that it should receive Phase One funding in order to ensure a good transition into Phase Two.

OSE suggested that HB446 be revised to appropriate funds to the New Mexico Bureau of Mines and Mineral Resources if this agency conducted Phase One.

RWP/njw:gm