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FISCAL IMPACT REPORT

SPONSOR: Nunez DATE TYPED: 02/7/01 HB 311
 SHORT TITLE: Dona Ana County Water Usage Analysis SB _____
 ANALYST: Dotson

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|----------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | \$ 220.0 | | | Non-recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Office of the State Engineer

SUMMARY

Synopsis of Bill

HB 311 appropriates \$220.0 from the general fund to the Local Government Division of the Department of Finance and Administration for the purpose of conducting an economic and technical analysis of water usage as part of the Las Cruces - El Paso sustainable water project.

Significant Issues

According to the State Engineer, many important issues are related to this appropriation. They included the dismissal by the Las Cruces-El Paso Sustainable Water Supply Project in the recently concluded environmental impact statement for the project of serious issues that are within the jurisdiction of the New Mexico State Engineer and the Rio Grande Compact Commission. The position of the City of Las Cruces, as related by its technical contractor and outside counsel, is that it can obtain water from Elephant Butte Irrigation District and does not require a permit from the Office of the State Engineer for that water. The ongoing litigation associated with water uses and ownership of water along the Rio Grande south of Elephant Butte Dam may be threaten with the findings of the study.

FISCAL IMPLICATIONS

The appropriation of \$220.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

PD/njw