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FISCAL IMPACT REPORT

SPONSOR: Sharer DATE TYPED: 1/31/03 HB _____

SHORT TITLE: Water Use Reporting Requirements SB 102

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$1,175.0	Recurring	General Fund
			\$20.0	Recurring	Road Fund

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$.01 (See Narrative)	\$.01 (See Narrative)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State Highway and Transportation Department (NMSHTD)
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Bill 102 would require that groundwater wells be metered to measure use and the quantity used and reported to the State Engineer on a quarterly basis. The Office of the State Engineer would be required to audit reports to ensure accuracy. Use in excess of the permit limits may be subject of a fine up to \$.03 cents per gallon.

Significant Issues

OSE testified to the interim Legislative Water and Natural Resources Committee there are an estimated 50,000 wells throughout the state.

OSE states the bill would increase the workload of the Water Resources Allocation Program and additional staff would be required to manage the program including receiving use data, entering it into a database and issuing compliance orders for excess use. It estimates 21 FTEs and the associated funding would be required.

FISCAL IMPLICATIONS

OSE estimates a recurring appropriation of \$1,175.0 would be required to comply with the bill.

NMSHTD use of groundwater in highway construction projects is not currently regulated by OSE; \$20.0 will be required for permit preparation required by the bill.

A small amount of revenue may be generated through fines levied by the State Engineer but it is not possible to estimate an amount until the permits are compared with usage reports.

TECHNICAL ISSUES

OSE recommends the following changes to Senate Bill 102:

1. Page 1, Lines 22-24, strike “for determining the amount of water that may be produced by a well in accordance with the well permit.” The State Engineer already has that authority in Section 72-12-1 NMSA 1978.
2. Page 2, Lines 2-4, strike the entire paragraph.
3. Page 3, Line 5, strike “D” and replace with “C”.

POSSIBLE QUESTIONS

1. Will the cost of collecting, documenting and maintaining the data collected be worth the cost in collection ?
2. Will well owners that do not currently have meters be grandfathered by this bill or will they be compensated for the cost of installing meters ?

GAC/yr