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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 1-21-06 **HB** 117

SPONSOR Campos, J.A.

SHORT TITLE Fort Sumner Irrigation District Debt Payment **SB**

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$1,200.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer- Interstate Stream Commission (OSE)

SUMMARY

Synopsis of Bill

House Bill 117 makes an Appropriation to Pay the Debt of the Fort Sumner Irrigation District to the Federal Bureau of Reclamation and seeks to appropriate \$\$1,200,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2007 to pay the outstanding debt of the Fort Sumner Irrigation District to the Federal Bureau of Reclamation. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

The Office of the State Engineer- Interstate Stream Commission (OSE) indicates that even if Ft. Sumner Irrigation District's debt to the U.S. Bureau of Reclamation is retired, title and control of the project will not revert to the Ft. Sumner Irrigation District except by an act of the U.S. Congress. Further, while the project, and Ft. Sumner Irrigation District, would remain subject to the same federal environmental mandates and constraints as currently exist, the change from federal to state ownership could provide additional flexibility in meeting federal environmental mandates and protect the ability of New Mexico to maintain New Mexico's control of its state waters.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

OSE notes that the Bureau of Reclamation will continue to own title to the Ft. Sumner Project and may have a greater level of control over New Mexico water and water operations.

BW/yr