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FISCAL IMPACT REPORT

ORIGINAL DATE 2-4-06

SPONSOR Rodella LAST UPDATED _____ HB 627

RIO ARRIBA COUNTY WATER RIGHTS

SHORT TITLE PURCHASE SB _____

ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$250.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SC823

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Bill 627 appropriates \$250 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 to purchase water rights for Rio Arriba County.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

Both DFA and OSE indicated the bill does not specify the purpose of the additional water rights.

ADMINISTRATIVE IMPLICATIONS

DFA indicated HB627 appropriates funding to LGD/DFA to purchase water rights. This is not a typical function for the local government division. Water rights are more typically purchased by the Interstate Stream Commission in the OSE. Demands on Office of the State Engineer and the Interstate Stream Commission staff would increase some due to transfer applications and to check for possible impacts to compact compliance.

TECHNICAL ISSUES

OSE suggested the Rio Grande Compact prohibits any new net depletions (i.e., additional water uses that permanently remove water from the river/groundwater systems) beyond the 1929 Condition between the Colorado-New Mexico state line and Ottowi gage. It is suggested Rio Arriba County can seek an opinion from the Interstate Stream Commission to ensure their purchases will not impact Rio Grande Compact compliance.

DH/nt