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## FISCAL IMPACT REPORT

ORIGINAL DATE 1-30-06

SPONSOR Lundstrom LAST UPDATED \_\_\_\_\_ HB HM3

SHORT TITLE Native American Water Rights Settlement Funds SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)  
Office of the Attorney General (OAG)

### SUMMARY

#### Synopsis of Bill

House Memorial 3 requests the Governor of New Mexico and the United States Congress to Provide Adequate Funding for Proposed Native American Water Rights Settlements.

Specifically the memorial notes that:

- the Indian water rights settlement fund was created by the legislature in 2005 to facilitate the implementation of the state's portion of Indian water rights settlements; and
- no state funding was provided in 2005 for the Indian water rights settlement fund; and
- on April 19, 2005, the Navajo Nation and the state of New Mexico executed a settlement agreement resolving the claims of the Navajo Nation for the use of waters in the San Juan river basin; and

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- the implementation of the Navajo Nation settlement in the San Juan river basin will provide water for the Navajo Indian, Hogback-Cudei and Fruitland-Cambridge irrigation projects and will result in the completion of the Navajo-Gallup water supply project, including the Farmington-Shiprock municipal pipeline, thereby making potable water available to remote areas where drinking water is not currently available; and
- negotiations are continuing regarding the settlement of water rights in the Aamodt case involving the pueblos of San Ildefonso, Nambe, Pojoaque and Tesuque; and
- the implementation of a settlement in the Aamodt case would secure water rights for the involved pueblos and non-Indians alike, provide a regional water system and drought reserve water supply and permit additional economic development in that region; and
- negotiations are continuing regarding the settlement of water rights in the Rio Pueblo de Taos stream system; and
- the implementation of a settlement of water rights in the Rio Pueblo de Taos stream system would secure water rights for the Pueblo of Taos and for non-Indians within the stream system; and
- the office of the state engineer has estimated the state's share of the cost of the proposed Indian water rights settlements will be seventy-five million dollars (\$75,000,000) and has recommended that this funding be appropriated in full in fiscal year 2007; and
- full funding of the Indian water rights settlement fund will demonstrate the state of New Mexico's commitment to implement the settlement of disputes regarding Indian water rights for the benefit of all of the state's citizens, Indian and non-Indian alike.

The memorial resolves that that the governor of New Mexico be requested to include in the governor's capital outlay appropriations for fiscal year 2007 significant funding for the Indian water rights settlement fund as a matter of statewide importance; and that New Mexico's congressional delegation be requested to urge the involved federal agencies to cooperate in the negotiation of Indian water rights settlements in New Mexico and to support full federal funding for these settlements once they have been entered into by all parties.

The memorial further resolves that copies of this memorial be transmitted to members of the state's congressional delegation, the governor of New Mexico, the office of the state engineer, the president of the Navajo Nation, the speaker of the Navajo Nation council and the governors of the pueblos of Nambe, Pojoaque, Taos, Tesuque and San Ildefonso.

There is no appropriation attached to this legislation.

### **SIGNIFICANT ISSUES**

Both the Department of Finance and Administration (DFA) and the Office of the Attorney Gen-

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eral (OAG) recognize that the Legislature created the Indian water rights settlement fund to facilitate the implementation of the State's obligation under Indian water rights settlements; however, both agencies also recognize that no state funding was provided in 2005 for the fund.

This memorial requests that the governor and the state's congressional delegation address this issue in light of present and anticipated settlement agreements.

BW/mt