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FISCAL IMPACT REPORT

ORIGINAL DATE 1-30-06

SPONSOR Griego LAST UPDATED _____ HB _____

SHORT TITLE ACEQUIA TECHNICAL ASSISTANCE SB 191

ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Office of the State Engineer (OSE)

New Mexico Department of Environment (NMED)

SUMMARY

Synopsis of Bill

Senate Bill 191 appropriates \$250 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 for acequia technical assistance.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a 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

DFA reported that the lack of administrative capacity by local acequias has undermined their ability to withstand pressures to the centuries old system of water allocation among the parciantes, or members, of acequias, the oldest form of democracy in European America. In 2005, the

legislature appropriated \$200 thousand to DFA for this purpose (Chapter 34, Laws 2005). DFA subsequently contracted with the New Mexico Acequia Association to provide technical assistance to local acequias to increase their administrative capabilities, such as establishment or updates of acequia by-laws, board management, and compliance with state rules and regulations. SB191 would continue these activities among acequias yet to receive the needed technical assistance.

PERFORMANCE IMPLICATIONS

DFA indicated that, by increasing the administrative capacity building of acequias, the bill furthers DFA's mission to assist local governments "to provide the best public services at the lowest cost."

OTHER SUBSTANTIVE ISSUES

OSE/ISC indicated that OSE staff provide a similar small level of assistance to acequias and community ditches when requested regarding the adoption and implementation of bylaws, rules, regulations and technical issues. Additional funding for technical assistance to acequias would be helpful for acequias and perhaps more appropriately handled through the NM Acequia Commission.

ALTERNATIVES

NMED noted that the appropriation is to LGD/DFA. The Office of the State Engineer, Interstate Stream Commission regulates acequia associations and would appear to be better suited to administer the technical assistance anticipated in this bill. NMED recommended the appropriation be made to the Office of the State Engineer, rather than DFA.

OSE suggested the bill could be amended to provide the funds through the New Mexico Acequia Commission to assist acequias and community ditches and make clear that the appropriation to the Local Government Division of the Department of Finance and Administration is for the purpose of funding the NM Acequia Commission.

AMENDMENTS

NMED recommended that in Section 1, Line16: delete "local government division of the department of finance and administration" and replace with "office of the state engineer".

OSE suggested that, on page. 1, line 18, after "assistance" insert "as directed by majority decision of the NM Acequia Commission"

DH/nt