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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/06

SPONSOR Cisneros LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Strategic Water Reserve Administration SB 649

ANALYST Hoffmann

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to House Bill 565.

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Office of the State Engineer (OSE)

#### SUMMARY

##### Synopsis of Bill

Senate Bill 649 appropriates \$100,000 from the general fund to the Interstate Stream Commission to administer the Strategic Water Reserve (SWR).

#### FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

**SIGNIFICANT ISSUES**

The proposed appropriation is not included in the Executive budget recommendation.

According to the Department of Finance and Administration, the SWR is a mechanism for acquiring and holding water rights for use in meeting interstate stream compact delivery and water delivery requirements. This appropriation appears sufficient to hire an additional FTE plus associated costs and supplies.

**PERFORMANCE IMPLICATIONS**

According to the Department of Finance and Administration, it is unclear to what degree this appropriation would increase agency performance. It could possibly allow staff currently assigned to this task to go back to increasing performance in another area. Dedicated staff may also result in better management of SWR funds, assets and acquisition if the appropriation resulted in an increase in the overall number of staff working on SWR.

**ADMINISTRATIVE IMPLICATIONS**

17.14.3-3 NMSA 1978 gives the Interstate Stream Commission the authority to establish the Strategic Water Reserve.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Senate Bill 649 is related to House Bill 565, which appropriates \$5,000,000 to the Interstate Stream Commission to purchase water rights from willing sellers. The water rights purchase through House Bill 565 would be assigned to the strategic water reserve.

CH/nt