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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/09

SPONSOR Bandy LAST UPDATED _____ HJM 1

SHORT TITLE NMSU Water Conservation Methods Study SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
Office of the State Engineer (OSE)

No Responses Received From

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Joint Memorial 1 requests that NMSU report to the legislature the results of research on water conservation methods that reduce consumptive use along with any recommendations for legislation to the appropriate interim committee by December 2009.

FISCAL IMPLICATIONS

There is no immediate fiscal implication for the requested study. The HED notes that according to a representative from the institution, NMSU is already conducting field research on water conservation simulation models to measure the impact of various methods, specifically that of consumptive use, on regional hydrologic management systems.

SIGNIFICANT ISSUES

House Joint Memorial 1 states that:

The legislature has received testimony on the need for water conservation.

Agriculture is the single largest consumer of water and Senate Bill 461 was negotiated and enacted in 2007 to provide incentives for irrigators to conserve more water.

Implementation of Senate Bill 461 by the office of the state engineer has not resulted in water savings as intended.

The need to encourage conservation and respect private property rights are inherently compatible but existing state policy works contrary to that goal.

New Mexico state university has continuing research programs to test various water practices and their impacts on consumptive use efficiencies.

The OSE states that:

With respect to the implementation of Senate Bill 461, there has only been one application filed under the referenced statute. The OSE believes the reason for a limited number of applications is that it is difficult to demonstrate actual water savings (consuming less water) just by more "efficient" delivery and irrigation practices. Two recent NMSU studies have documented how difficult it is. Nevertheless, the OSE has initiated the development of guidelines for implementation of the 2007 Senate Bill 461 to encourage the public to take advantage of the statute where there *are* opportunities for water savings.

With respect to existing state policy working contrary to that goal (Pg. 2, Line 20, the New Mexico Constitution provides that beneficial use is the "measure, limit and extent" of a water right. Policies designed to minimize or eliminate waste and reward those who are more efficient, however, are not contrary to that Constitutional provision. The OSE believes the policy in the above paragraph is consistent with this provision.

With respect to the request for NMSU's study of the issue, the state engineer encourages all studies evaluating the impacts of water conservation measures on the consumptive use of water to be reported. Those studies will be helpful in the state engineer guidelines which will be used to implement the 2007 Senate Bill 461. We would therefore request that NMSU also report to the office of the governor and the state engineer on these studies.

ALTERNATIVES

The OSE suggest the following amendments to the memorial:

- 1) Page 1, strike lines 22, 23, and 24 and insert in lieu thereof "WHEREAS, the state engineer intends to promulgate guidelines to implement Senate Bill 461 so that water savings may occur; and"

House Joint Memorial 1 – Page 3

- 2) Page 2, strike lines 2 and 3 and insert in lieu thereof “WHEREAS, existing state policy and law which encourages the beneficial use of water is not contrary to the goal of conserving water; and”
- 3) Page 2, insert after line 6 “WHEREAS, several recent research programs conducted by New Mexico State University have suggested that many irrigation water practices designed to increase agricultural efficiency do not reduce the consumptive use of water and do not result in water savings;”
- 4) Page 2, line 9 after the word “legislature” insert “the office of the governor and the state engineer”

GH/svb