

Land of Enchantment Legacy Fund Update

Presentation to the Water & Natural Resources Committee

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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Land of Enchantment Legacy Fund Overview

2023 Regular Legislative Session

- SB 9 created the Land of Enchantment Legacy (Expendable) Fund and the Conservation Legacy Permanent Fund
- HB 2 invested \$50M in each fund (\$100M total)

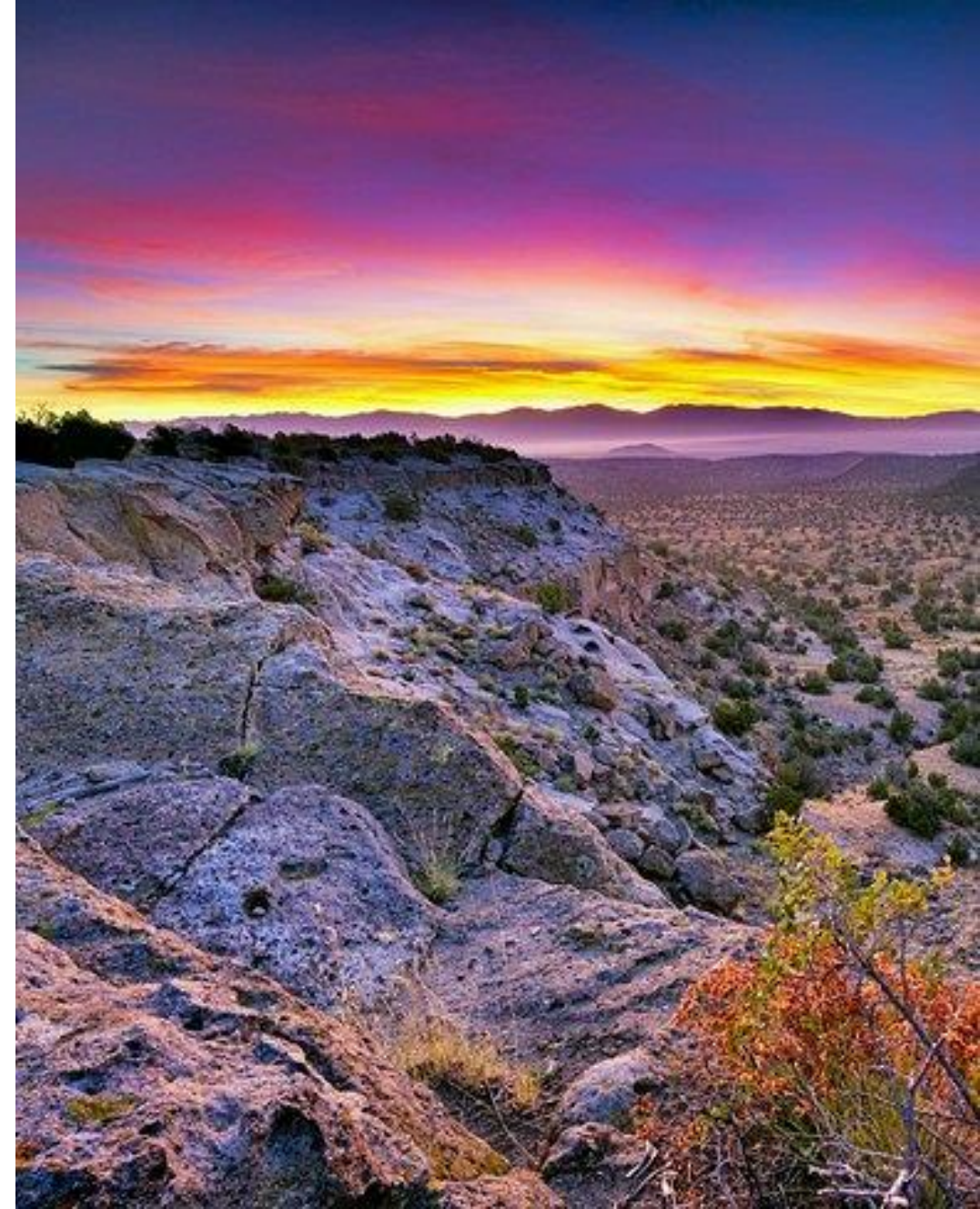
2024 Regular Legislative Session

- HB 2 invested \$300M in the Conservation Legacy Permanent Fund



LOE Fund Agency FY25 Distributions

Agency	Program	Target Fund or Program	Agency Allocation	Program Allocations	Agency Distribution (\$M)
EMNRD	Forest & Watershed Restoration Act (FAWRA)	Forest Land Protection Revolving Fund	22.50%	50%	\$2.81
	Natural Heritage Conservation Act (NHCA)	Natural Heritage Conservation Fund		50%	
NMDA	Soil & Water Conservation Districts	NM Board of Regents	22.50%	NA	\$2.81
	Healthy Soils	NM Board of Regents		NA	
	Noxious Weed Management	NM Board of Regents		NA	
NMED	River Stewardship	General Fund	10.00%	100%	\$1.25
EDD	Outdoor Equity Fund	Outdoor Equity Fund	15.00%	25%	\$1.88
	Outdoor Recreation Trails+ Grant	Special Projects & Outdoor Infra. Fund		75%	
DCA	Prehistoric & Historic Sites Preservation Act	GOB Fund 478	8.00%	100%	\$1.00
DGF	Game & Fish Outdoor Recreation Act/Wildlife Conservation Act	Game Protection Fund	22.00%	100%	\$2.75
			100.00%		\$ 12.50



Forest and Watershed Restoration Act (FAWRA)

- Established in 2019 with \$2M/year
- With LOE, \$3.4M in F25-FY28
- Established the FAWRA Advisory Board to recommend projects for funding
- Since 2019:
 - 25 projects recommended
 - 13,506 acres restored
 - \$4.6M FAWRA funds expended
 - \$4.8M federal funds leveraged
- 14,300 shovel ready acres



Photo: Sandia Pueblo Bosque Restoration

Natural Heritage Conservation Act

Program Overview

- Before LOE Legacy, no consistent funding (\$1.4M in FY25)
- Projects are recommended by the Natural Lands Protection Committee
- Eligible applicants: governmental entities and nations, tribes, and pueblos
- Applicants may partner with nonprofit conservation organizations on applications
- Project types:
 - Agricultural Easements
 - Conservation Easements
 - Restoration Projects
- Two requests for applications have been completed (March and August 2024) and a third request for applications will open this fall



Natural Heritage Conservation Act – FY25 Funded Projects Y-T-D

Ranchos Las Lagunas Agricultural Easement (Santa Fe County)

- Santa Fe-Pojoaque Soil & Water Conservation District with Santa Fe Conservation Trust
- 100-acre farmland protection
- Irrigated w/acequia water rights, produces hay and beef
- Conservation values: agricultural, wildlife, scenic open space
- NHCA funding \$595,000



Natural Heritage Conservation Act – FY25 Funded Projects Y-T-D

Franklin-Coggins Conservation Easement (Mora County)

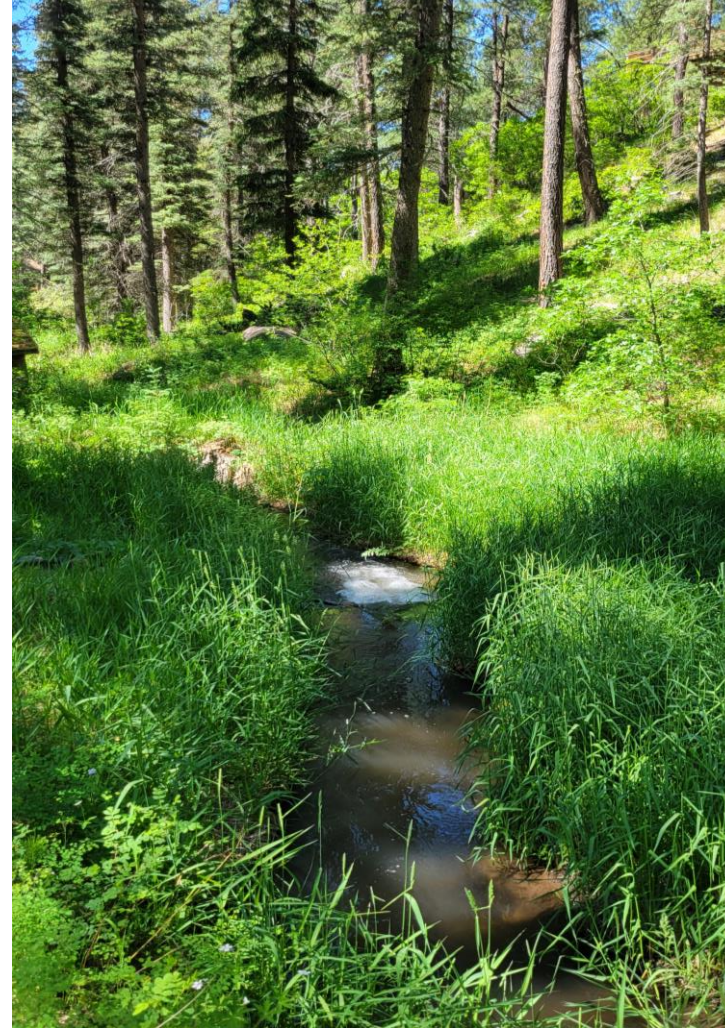
- EMNRD, Forestry Division with NM Land Conservancy
- 198.73-acre ponderosa pine-fir forest, Coyote Creek floodplain and agricultural pastures
- Conservation values: forestry, agricultural, water, wildlife habitat, scenic open space
- NHCA funding \$73,897



Natural Heritage Conservation Act – FY25 Funded Projects Y-T-D

Bear Canyon Conservation Easement (Sandoval County)

- 26.5-acre fir-spruce forest in the Jemez Mountains
- Conservation values: forestry, water, wildlife habitat, scenic open space
- NHCA funding \$56,278



Natural Heritage Conservation Act

FY25 Requests for Projects tiered off the existing rule created in 1995.

Lessons learned by using the Rule: FY25 LOE funds created an opportunity to test rule and identify improvements. Key findings are:

- Transaction costs have risen substantially since 1995 and the cap on transaction costs in the existing rule is too low.
- Existing rule requires baseline property assessment to be recorded with the deed and available to the public; this is a privacy risk to landowners and is no longer the standard required by the Land Trust Accreditation Board.
- Paper copies of applications are required in the existing rule and e-copies are not allowable.
- Amending the rule is an EMNRD priority for FY25 with the goal of issuing the FY26 RFP under the new rules.

