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FISCAL IMPACT REPORT

SPONSOR HENRC ORIGINAL DATE 2/2/22 CS/HB101/HENRCS/a
 LAST UPDATED 2/9/22 HB HAFC

SHORT TITLE New Mexico Reforestation Center Act SB _____

ANALYST Wan

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI			N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 11

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
 The University of New Mexico (UNM)
 New Mexico State University (NMSU)

No Response Received

New Mexico Highlands University (NMHU)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment strikes the appropriation.

Synopsis of Original Bill

The House Energy, Environment and Natural Resources Committee substitute for House Bill 101 directs the State Forestry Division (SFD) of the Energy, Minerals and Natural Resources Department (EMNRD) to enter into an agreement with New Mexico State University (NMSU), New Mexico Highlands University (NMHU), and the University of New Mexico (UNM) to create the New Mexico Reforestation Center to address the impacts of climate change on state forests and the state’s reforestation needs. The center will establish a seed bank program, nursery program, and planting program and shall develop and operate comprehensive policies and projects related to reforestation.

HB101 appropriates \$4.6 million from the general fund to the Board of Regents of New Mexico State University for first-year operational expenses of the New Mexico Reforestation Center.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$4.6 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

This nonrecurring appropriation will be used to establish the Reforestation Center and fund operational expenses in its first year. According to NMSU, the majority of the appropriation (approximately \$3.6 million) will be allocated to conduct of a feasibility study, site assessment, drafting, design, and budget development to complete the project. Other start-up expenditures may include the purchase of seed storage freezer(s), seed processing equipment, computing equipment and software, seed collection equipment, fencing, mowing equipment, small tools, and orchard management supplies. NMSU also reports labor crews will be needed for long-term maintenance of orchards and equipment.

The NMSU Agricultural Experiment Station is requesting to purchase land that is currently leased for the university's John T. Harrington Forestry Research Center. The cost of this land purchase is not included the bill's appropriation.

SIGNIFICANT ISSUES

The establishment of the Reforestation Center will aid the State Forestry Division in implementation of the reforestation strategy within the 2020 State Forest Action Plan. According to EMNRD, this will help develop forests that are resilient to the impacts of climate change, which will enhance their ability to sequester carbon and capture and promote ecological benefits for current and future generations.

The agreement required by HB101 has already been executed by EMNRD, NMSU, UNM, and NMHU. The entities worked together to develop a strategy for reforestation and planting policies that anticipate forest conditions in 2090 and determine how to prioritize reforestation planting areas.

CW/acv/al/rl/acv