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AN ACT

RELATING TO CONSERVATION; CREATING THE CONSERVATION LEGACY PERMANENT FUND; CREATING THE LAND OF ENCHANTMENT LEGACY FUND; INCLUDING THE CONSERVATION LEGACY PERMANENT FUND IN THE PERMANENT FUNDS INVESTED BY THE STATE INVESTMENT COUNCIL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 6-8-1 NMSA 1978 (being Laws 1957, Chapter 179, Section 1, as amended) is amended to read:

"6-8-1. DEFINITIONS.--As used in Chapter 6, Article 8 NMSA 1978:

A. "council" means the state investment council;

B. "department" means the department of finance and administration;

C. "land grant permanent funds" means the permanent school fund established by Article 12, Section 2 of the constitution of New Mexico and all other permanent funds derived from lands granted or confirmed to the state by the act of congress of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and state government and be admitted into the Union on an equal footing with the original States...";

D. "permanent funds" means the land grant permanent funds, rural libraries endowment fund, severance tax permanent fund, tobacco settlement permanent fund,

1 conservation legacy permanent fund and water trust fund;

2 E. "secretary" means the secretary of finance and
3 administration;

4 F. "severance tax permanent fund" means the fund
5 established by Article 8, Section 10 of the constitution of
6 New Mexico;

7 G. "tobacco settlement permanent fund" means the
8 fund established by Section 6-4-9 NMSA 1978; and

9 H. "water trust fund" means the fund established
10 by Article 16, Section 6 of the constitution of New Mexico."

11 SECTION 2. A new section of Chapter 75 NMSA 1978 is
12 enacted to read:

13 "CONSERVATION LEGACY PERMANENT FUND--CREATED--
14 INVESTMENT--DISTRIBUTION.--

15 A. The "conservation legacy permanent fund" is
16 created as a nonreverting fund in the state treasury. The
17 fund consists of distributions, appropriations, gifts,
18 grants, donations and income from investment of the fund.
19 Money in the fund shall be invested by the state investment
20 officer with the same risk and return profile as land grant
21 permanent funds are invested pursuant to Chapter 6, Article 8
22 NMSA 1978. Earnings from investment of the fund shall be
23 credited to the fund. Money in the fund shall be expended
24 only as provided by this section.

25 B. If, on July 1 of each year, the conservation

1 legacy permanent fund exceeds one hundred fifty million
2 dollars (\$150,000,000) and the investment income to the fund
3 for the previous fiscal year exceeded five million dollars
4 (\$5,000,000), any investment income to the fund from the
5 previous fiscal year in excess of five million dollars
6 (\$5,000,000) shall be distributed to the land of enchantment
7 legacy fund."

8 SECTION 3. A new section of Chapter 75 NMSA 1978 is
9 enacted to read:

10 "LAND OF ENCHANTMENT LEGACY FUND--CREATED--
11 DISTRIBUTION.--

12 A. The "land of enchantment legacy fund" is
13 created as a nonreverting fund in the state treasury. The
14 fund consists of distributions, appropriations, gifts,
15 grants, donations and bequests made to the fund. The
16 department of finance and administration shall administer the
17 fund. Any interest earned by the land of enchantment legacy
18 fund shall be credited to the fund. Money in the fund shall
19 be distributed and expended only as provided in this section.

20 B. On July 1, 2024 and on July 1 of each year
21 thereafter, the department of finance and administration
22 shall make an annual distribution from the land of
23 enchantment legacy fund in an amount that is the greater of
24 twelve million five hundred thousand dollars (\$12,500,000) or
25 twenty-five percent of the total balance of the land of

1 enchantment legacy fund; provided that, if the total balance
2 in the fund is less than twelve million five hundred thousand
3 dollars (\$12,500,000), the annual distribution shall be the
4 total fund balance. The annual distribution shall be
5 distributed as follows:

6 (1) twenty-two and one-half percent shall be
7 distributed to the energy, minerals and natural resources
8 department, of which:

9 (a) fifty percent shall be allocated to
10 the forestry division of the energy, minerals and natural
11 resources department to carry out: 1) projects and programs
12 pursuant to the Forest Conservation Act; 2) forest and
13 watershed management projects; 3) approved projects pursuant
14 to the Forest and Watershed Restoration Act; and 4) projects
15 and programs pursuant to the Prescribed Burning Act; and

16 (b) fifty percent shall be allocated
17 for projects pursuant to the Natural Heritage Conservation
18 Act;

19 (2) twenty-two and one-half percent shall be
20 distributed to the board of regents of New Mexico state
21 university for the New Mexico department of agriculture to
22 carry out programs and projects pursuant to the Noxious Weed
23 Management Act, the Healthy Soil Act and the Soil and Water
24 Conservation District Act;

25 (3) ten percent shall be distributed to the

1 department of environment to plan, design and construct
2 projects to improve surface water quality and river habitat
3 statewide;

4 (4) fifteen percent shall be distributed to
5 the economic development department, of which:

6 (a) twenty-five percent shall be
7 allocated to the New Mexico outdoor recreation division of
8 the economic development department to carry out projects
9 under the outdoor equity grant program; and

10 (b) seventy-five percent shall be
11 allocated to the New Mexico outdoor recreation division for
12 special projects and outdoor recreation infrastructure;

13 (5) eight percent shall be distributed to
14 the cultural affairs department to carry out projects and
15 programs pursuant to the Cultural Properties Protection Act;
16 and

17 (6) twenty-two percent shall be distributed
18 to the department of game and fish to carry out projects and
19 programs for the protection and propagation of game and fish.

20 C. Any unencumbered balances from distributions
21 made pursuant to Subsection B of this section shall revert to
22 the land of enchantment legacy fund at the end of the fiscal
23 year following the fiscal year in which the funds were
24 distributed.

25 D. Distributions made pursuant to this section

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shall not be used for the purposes of eminent domain."