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FISCAL IMPACT REPORT

SPONSOR <u>Campos</u>	LAST UPDATED <u>2/24/25</u>	ORIGINAL DATE <u>2/24/25</u>
SHORT TITLE <u>Hazard Tree Removal</u>	BILL NUMBER <u>Senate Bill 469</u>	
	ANALYST <u>Hilla</u>	

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$15,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DFA	No fiscal impact	\$3.9	No fiscal impact	\$3.9	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 175, House Bill 191, Senate Bill 33, Senate Bill 332, and Senate Memorial 2

Sources of Information

LFC Files

Agency Analysis Received From
Public Regulation Commission (PRC)
Department of Finance and Administration (DFA)

Agency Analysis was Solicited but Not Received From
Department of Homeland Security and Emergency Management (DHSEM)
Energy, Minerals and Natural Resources Department (EMNRD)
New Mexico Counties (NMC)

SUMMARY

Synopsis of Senate Bill 469

Senate Bill 469 (SB469) appropriates \$15 million from the general fund to the Department of Finance and Administration (DFA) to pay for removal of hazard trees near power transmission lines of the Mora-San Miguel electric cooperative.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$15 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

DFA states SB469 most likely will result in administrative costs like fund management, project evaluation and monitoring, community engagement and reporting at an estimated cost of \$3.9 thousand.

SIGNIFICANT ISSUES

DFA states that Mora County is not in compliance with its audits and therefore cannot use these funds.

In 2022, the state's largest fire, Hermits Peak-Calf Canyon, occurred in the counties of Taos, San Miguel, and Mora. Laws 2023, Chapter 2, passed containing \$100 million allocated to DFA to provide zero-interest loans to political subdivisions affected by the fires. DFA awarded the following to San Miguel and Mora counties:

- \$41.1 million to Mora County for road and culvert repairs.
- \$34.2 million to San Miguel County for road and bridge repairs.

SB469 would help mitigate future fire risk with the removal of hazardous trees. However, a one year timeline may not be sufficient for the electric cooperative to remove a large number of hazardous trees.

The Public Regulation Commission (PRC) states that SB469 does not specify criteria for selection of hazard trees nor how compliance is achieved, documented or verified. PRC states that the success of the removal of hazard trees is dependent on the coordination between the electric provider, local government, and private landowners. There are two Mora-San Miguel electric cooperatives: one in Pecos and the other in Mora. The bill does not specify which cooperative the tree removal is intended for.

PERFORMANCE IMPLICATIONS

The bill does not identify specific needed compliance and verification.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB469 related to Senate Bill 332, which appropriates \$5 million to the Middle Rio Grande Conservancy District for fire prevention; relates to House Bill 191, which appropriates \$12 million for the wildfire preparedness fund and the wildfire suppression fund; relates to Senate Bill 33, which amends the Forest Conservation Act to create the Wildfire Prepared Act; relates to

House Bill 175, which clarifies eligible projects that can receive funding from the forest land protection revolving fund; and relates to Senate Memorial 2, which creates a study group pertaining to wildfire mitigation.

EH/rl/SL2/rl/SL2