

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR <u>Vincent/Ortez/Terrazas/Dow</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/29/2025</u>
SHORT TITLE <u>Forest & Watershed Buffer Projects</u>	BILL NUMBER <u>House Bill 175</u>
	ANALYST <u>Davidson</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
EMNRD	No fiscal impact	\$111.2 to \$222.4	\$111.2 to \$222.4	\$222.4 to \$444.8	Recurring	General Fund

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

Sources of Information

LFC Files

Agency Analysis Received From
 Energy, Minerals, and Natural Resources Department (EMNRD)

Agency Analysis was Solicited but Not Received From
 New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of House Bill 175

House Bill 175 (HB175) proposes to add and amend language within the Forest and Watershed Restoration Act. The bill also proposes to add projects that create or maintain buffers zones in and around wildland and urban areas to the list of eligible projects for funding from the forest land protection revolving fund.

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 forest land protection revolving fund (FLPR) receives a recurring \$2 million appropriation as specified in the Forest and Watershed Restoration Act. The current balance of the FLPR is \$5.5 million. If buffer projects are added to the list of eligible projects for FLPR funding, it could spend down the fund’s balance and could hinder future projects. Further, due to the expansion of projects to buffer zones, HB175 may increase the workload of the New Mexico Forestry Division. Due to the possible increased workload, LFC analysis estimates an additional one to

two personnel could be needed for implementation.

SIGNIFICANT ISSUES

Analysis from the Energy, Minerals, and Natural Resources Department (EMNRD) notes that adding buffer projects to the list of eligible projects for FLPR funding will add a recurring funding source for wildfire preparation projects. Due to New Mexico's high wildfire risk, EMNRD's analysis points to buffer zone projects as a helpful tool in preparing forests and urban areas to combat wildfires.

EMNRD analysis also notes House Bill 175 will give the New Mexico Forestry Division flexibility to fund projects on private land and to supplement gaps in federal funding for buffer projects.

AD/hj/SR