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FISCAL IMPACT REPORT

SPONSOR <u>Small/Ferrary/Steinborn</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/3/2025</u>
SHORT TITLE <u>Slot Canyon Riverlands State Park</u>	BILL NUMBER <u>House Bill 219</u>
	ANALYST <u>Davidson</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$9,000.0	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
	No fiscal impact	\$398.5	\$398.5	\$796.9	Recurring	Other state funds

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

Relates to and Senate Memorial 38 from the 2023 Legislative Session

Sources of Information

LFC Files

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

Agency Analysis was Solicited but Not Received From
Department of Finance Administration (DFA)

SUMMARY

Synopsis of House Bill 219

House Bill 219 (HB219) directs the Energy, Minerals and Natural Resources Department (EMNRD) to develop, designate, and operate the Slot Canyon Riverlands state park near the Broad Canyon Ranch study area in Doña Ana County.

HB219 appropriates \$9 million from the general fund to EMNRD for the purpose of the development and operations of the proposed Slot Canyon Riverlands state park.

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 \$9 million contained in this bill to EMNRD is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall not revert to the general fund. The stated purpose of the appropriation is start-up costs, such as salt cedar removal, natural resource management planning, and trail development. Funds for the appropriation, however, would be available for operations, a recurring cost.

Analysis from EMNRD notes HB219 and its creation of a new state park could require an increase of \$398.5 thousand in recurring funding for the agency, which would include funds for 4 permanent FTE and two seasonal positions and funding for utilities, equipment, and maintenance.

The State Parks Division's (SPD) operations are predominantly funded through revenue from park fees, with nearly 75 percent of its budget covered through fees unchanged from 1998 until recently. After a [feasibility study](#) and a rule making process, new increased park fees were instituted beginning in January 2025. Projected revenue from the new park fees is up to \$5.9 million.¹

The result of Senate Memorial 38 was a [feasibility study](#) of development of a Broad Canyon Ranch into a state park. The study estimated development of "alternative 3," as called for in HB219, (including planning, design, construction, and equipment) could cost between \$8.1 million and \$9.3 million.² The study estimated operational costs at \$338,452.

SIGNIFICANT ISSUES

EMNRD's State Parks Division notes the feasibility study created by Senate Memorial 38 studied three separate parcels of Broad Canyon Ranch (BCR): the Northern Parcel, Riverside Parcel, and Upland Parcel, under various scenarios, with HB219 proposing implementation of the third alternative:

This alternative would involve State Parks operating the Riverside and Upland Parcels as a state park with a campground and visitor center. Similar to Alternative 2, the Northern Parcel could be retained by State Parks for future connections to [Organ Mountains Desert Peaks National Monument] recreational development, leased to or exchanged with [the U.S. Bureau of Land Management] for the same, sold, or placed under conservation status. Approximately 20 developed campsites could be developed. State Parks could pursue adaptive reuse of the existing ranch house and adjacent structures, if deemed feasible, to develop a visitor center, outdoor classroom, and facilities for a concessionaire. Recreational development would take into consideration and manage/limit access to most sensitive habitat areas on site.

¹ <https://www.emnrd.nm.gov/spd/wp-content/uploads/sites/7/State-Parks-Fees-Study-2023.pdf>

² <https://www.emnrd.nm.gov/spd/wp-content/uploads/sites/7/Senate-Memorial-38-Broad-Canyon-Ranch-Feasibility-Study-Amendment-1.pdf>

The feasibility study noted the benefits of alternative 3 were:

- Supports most of the desired recreation activities indicated by stakeholders – hiking, birdwatching, picnicking, no-motorized boating, education/interpretive programs, and camping.
- Supports top management priorities identified by stakeholders – wildlife habitat protection, ecosystem restoration, creating connections with regional trails and parks, and recreational development.
- Manages public access and could be designed to limit access and impact to most sensitive areas on site. • Increases revenue potential from camping and concessionaire.
- Supports year-round visitation and expands opportunities for education and interpretive programming.

While the study noted the challenges and or issues with alternative 3 were:

- Impacts during construction.
- Potential tensions between more intensive recreational development and habitat protection goals.
- Impacts of RV campground – noise, etc.
- Does not meet enterprise agency goals of generating approximately 75% of operating costs.
- Highest cost option.

The feasibility study from Senate Memorial 38, drafted by the parks division, recommended alternative 2 as its preferred development plan, noting:

Based on the findings and analysis described in this study, it is recommended that the New Mexico Energy Minerals and Natural Resources Department - State Parks Division pursue development of the Study Area based on Alternative 2 and develop either a day-use park or recreation area associated with Leasburg Dam State Park on both the Riverside and Upland Parcels and determine a course of action with the Northern Parcel as discussed above. ... Alternative 2 meets goals identified at the time of the purchase of Broad Canyon Ranch:

- Protects 783 acres of land along a critical stretch of the Rio Grande in Selden Canyon for wildlife conservation and outdoor recreation.
- Establishes a conservation reserve for river ecosystem restoration on the lower Rio Grande. Expands education and recreation opportunities.
- Improves river access.

Importantly, development as a day-use park or recreation area addresses the [land and water conservation fund] obligations for the property and provides public access and low impact recreational amenities. This balances the management priorities of recreational development and habitat protection. Alternative 2 ensures managed access and expands opportunities for ecosystem restoration. This option presents significantly lower upfront development costs than Alternative 3, while allowing future phased development if State Parks decides to pursue further recreational development.

Agency analysis from EMNRD notes the uses outlined under alternative 3 also fit within the restrictions connected to the use of land and water conservation funds.