

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

**LAST UPDATED** \_\_\_\_\_

**SPONSOR** Lujan/Borrego **ORIGINAL DATE** 2/18/2025

**BILL**

**SHORT TITLE** Clean Energy & Natural Resources Board **NUMBER** House Bill 394

**ANALYST** Davidson

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$100.0	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
<b>EMNRD</b>	No fiscal impact	\$65.0	\$65.0	\$130.0	Recurring	General Fund

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

### Sources of Information

LFC Files

Agency Analysis Received From  
Public Regulation Commission (PRC)  
Energy, Minerals and Natural Resources (EMNRD)

## SUMMARY

### Synopsis of House Bill 394

House Bill 394 appropriates \$100 thousand from the general fund to the Energy, Minerals and Natural Resources Department for the purpose of creating the clean energy and natural resources advisory board. The bill outlines the directives of the board, its makeup, and the qualifications of its members.

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 \$100 thousand 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.

The Energy, Minerals and Natural Resource Department (EMNRD) anticipates implementation of the bill and staffing of the new advisory board will require a half-time position, or roughly \$65 thousand increase. LFC estimates this increase based on the agency's average personnel costs.

## SIGNIFICANT ISSUES

The Public Regulation Commission (PRC) notes none of the positions on the 17-member board is designated for a tribal representative and raises concerns the bill does not codifying any coordination between PRC and the Energy, Minerals and Natural Resources Department, even though both agencies are engaged in the regulation and cultivation of the state's clean energy and natural resources.

PRC also indicates the board should meet more than the twice a year called for the in the bill due to the complexity of clean energy initiatives and natural resource management.

EMNRD notes, due to the size of the board and the four-year commitment required of members, staffing the board could prove challenging. EMNRD notes this issue could also be exacerbated by the varying levels of expertise required of board members.

EMNRD analysis further notes the bill establishes quorum requirements for the transaction of business for the board, but "specifies no concrete or discernible actions or duties that the board might undertake beyond providing advice (which is undefined), establishing subcommittees, and creating bylaws. This lack of apparent authority or purpose will add to the challenge of recruiting board members."

EMNRD suggests the duties of the board and its composition are potentially misaligned. The analysis notes one of the duties of the board, "addressing clean energy and natural resources for implementing and maintaining clean energy in the state," could lead the board to prioritize, for example, the development of critical minerals operations, which could conflict with other members of the board, such as forestry and state parks. This conflict between the duties of the board and its complex makeup could be clarified with more direct language.

EMNRD lists the current boards, commissions, and tasks forces it already staffs and takes advise from:

- Radioactive Waste Consultation Task Force (NMSA 1978, 74A-4A-6)
- Fire Planning Task Force (NMSA 1978, Section 68-2-34)
- Tree Planting Advisory Committee (NMSA 1978, Section 68-2-33)
- New Mexico Urban Forest Council (federal funding requirement)
- Natural Lands Protection Act Committee (NMSA 1978, Section 75-5-4; NMSA 1978, Section 75-9-4; NMSA 1978, Sections 75-10-3 and 6)
- Forest and Watershed Management Coordinating Group (voluntary)
- Mining Commission (NMSA 1978, Section 69-36-6)
- Coal Surface Mining Commission (NMSA 1978, Section 69-25A-4)
- Oil Conservation Commission (NMSA 1978, Section 70-2-4)
- Technical Advisory Committee to the Office of Interstate Natural Gas Markets (NMSA 1978, Section 70-11-5)
- State Parks Advisory Board (NMSA 1978, Section 16-2-2)

**House Bill 394 – Page 3**

- Rio Grande Trail Commission (NMSA 1978, Section 9-5C-1)
- Carlsbad Brine Well Remediation Authority (NMSA 1978, Section 75-11-1)
- New Mexico Youth Conservation Corps Commission (NMSA 1978, Section 9-5B-5)

EMNRD notes, beyond the issues it highlights in its analysis, the proposed additional advisory board has the potential to aid agencies when it comes to advising rule changes, land acquisitions, funding opportunities, and rollout of new public facing programs.

AD/hj/hg