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FISCAL IMPACT REPORT

SPONSOR Campos DATE TYPED 2/6/2004 HB _____

SHORT TITLE Purchase White Peak Area Land SB 410

ANALYST Aguilar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$15,000.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 430

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	Indeterminate	Indeterminate	Recurring	State Lands Maintenance Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Report of the Legislative Finance Committee to the Forty-Sixth Legislature, Second Session, January 2004 for Fiscal Year 2004 – 2005, pp. 404 – 408.

Responses Received From

Commissioner of Public Lands (SLO)

Energy, Minerals and Natural Resources Department (ENMRD)

SUMMARY

Synopsis of Bill

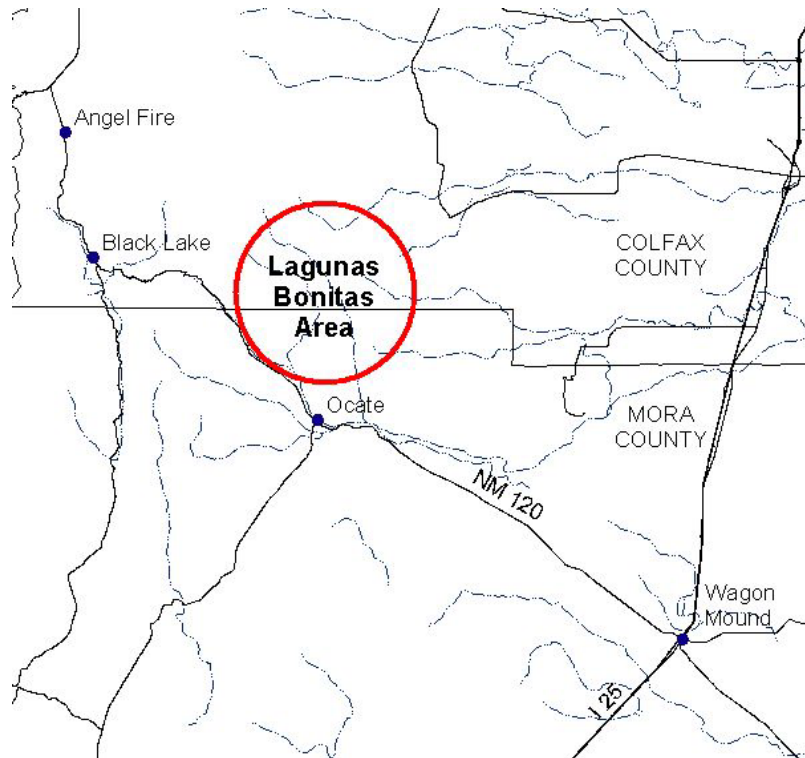
Senate Bill 410 appropriates \$15 million from the general fund to the Commissioner of Public Lands for the purchase, in fiscal years 2005 and 2006, of approximately 12 thousand acres of the Stanley Ranch in the White Peak area in Mora and Colfax counties.

The appropriation is contingent on a purchase agreement between the state land office and the owner of the land.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

Significant Issues

The White Peak area near the Mora / Colfax County line in Northern New Mexico has been a site of conflict for more than two decades between private landowners and hunters over access to and use of state trust land. Complex land ownership patterns characterize the area; roughly half of which is private land, the other half state trust land. Access to a large portion of the state trust land requires traveling through or across private property. There is disagreement regarding the status of roads used to access trust land throughout the area. Consequently, the area has been the subject of land use conflict, continuing law enforcement challenges and resource management concerns.



The land, described also as the Lagunitas Bonitas area, contains 13 natural lakes, 14 miles of riparian habitat along four creeks, and more than ten springs. The creeks support approximately 600 acres of riparian woodland and the shallow lakes and beaver ponds contain emergent wetland vegetation. Elk, mule deer, turkey, and black bear occupy this area yearlong. The lakes and beaver ponds are important habitats for migratory waterfowl, shore birds, and the threatened bald eagle. Suitable habitat exists for the endangered Mexican spotted owl and southwestern willow flycatcher. This property is a large portion of the Ocate Creek watershed. Ocate Creek is fully allocated to traditional family farms and ranches by La Acequia de las Piedras Colorados. Additional water diversions by upstream development activities could impact this acequia association. Most of the ranch and farm families in the Ocate Valley have been in this area more than a century. They continue to rely on the productivity of the land for water, forest products, and wildlife and livestock forage. Acquisition of the fee simple interest in the Stanley Ranch and the resulting consolidation of ownership may provide an opportunity to develop and implement a cooperative management plan between neighboring private landowners, the public and state natural resource management agencies. The result could be resolution of years of conflict, increased reve-

nues to beneficiary institutions, enhanced resource management, and protection of private landowner and public interests. This region of the state is experiencing rapid subdivision and development of private forests for residential and recreational development.

FISCAL IMPLICATIONS

The appropriation of \$15 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

If acquired as state trust land, SLO would realize increased revenues resulting from the net increase in acreage, thus increasing distributions to designated beneficiaries. Further, with consolidated ownership there are added opportunities to seek enhanced revenues through marketing and selling select recreational opportunities.

SLO and other agencies will need to expend budget, primarily in the form of salaries, benefits and limited travel for the purchase and subsequent joint resource planning and management should the purchase succeed.

ADMINISTRATIVE IMPLICATIONS

Acquisition of the property would significantly reduce the level of effort expended by state agencies dealing with access conflict, resource allocation and use, and enforcement.

The Land Office will incur administrative responsibilities related to purchase negotiations, appraisal, due diligence, contract preparation and title work.

OTHER SUBSTANTIVE ISSUES

There is ongoing litigation in the area between the Attorney General's Office and the UU Bar Ranch over the right to close a road used to access the White Peak area from the northeast. In 2002 the District Court in Raton ruled in favor of the landowner, permitting a gate blocking public access on the road to remain in place. This decision is under appeal by the Attorney General to the State Court of Appeals.

The State Forestry Division reports the acquisition of this property could have beneficial performance implications if the purchase prevents development of this property for residential or other high-density use. State and federal fire protection agencies are experiencing increasingly complex fire suppression actions in forests that are developed throughout the state. Suppression tactics must first address public and property safety. Evacuation of residences and businesses is increasingly common. Protecting structures requires dedication of more expensive resources. Undeveloped forests offer greater opportunities for prescribed fires, burning out, and other tactics.

PA/yr