

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

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Wirth ORIGINAL DATE 01/22/2007
LAST UPDATED 2/22/2007 HB 261/aHAFC
SHORT TITLE Natural Resources Trustee Fund & Office SB _____
ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to: 75-7-1 to 75-7-5 NMSA 1978

Duplicates SB15

Duplicates Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From:

The Office of the Natural Resources Trustee (ONRT)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment for House Bill 261 removes the appropriation of \$500,000 as this amount duplicates the appropriation in the General Appropriation Act for the ONRT.

Synopsis of Original Bill

House Bill 261 appropriates \$500 thousand from the General Fund to ONRT for the purpose of establishing and funding a revolving fund which would cover initial start up costs for recovery projects.

FISCAL IMPLICATIONS

The ONRT indicates that it has successfully recovered start up costs in each one of its cases to date. Therefore, ONRT does not expect additional special appropriations anytime in the foreseeable future

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall not revert to the general fund.

SIGNIFICANT ISSUES

Start up costs in the past has been funded partly from the natural resources trustee fund. The ONRT has been advised by the Attorney General’s Office that these monies by law “...must be used for the purpose of restoring, replacing, or acquiring the equivalent of the injured natural resources,” and , may not be used for operating expenses. This bill establishes a one-time appropriation. The ONRT is allowed to collect through the court for actual costs incurred. As these monies, are collected they will be deposited into the revolving fund to offset future start-up costs.

PERFORMANCE IMPLICATIONS

This bill the ONRT states “...would allow the state to take on larger cases where start up costs may substantially exceed \$500 thousand.” This would allow the state to recover substantial settlements for the state.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The state will be required to appropriate additional monies from the general fund to meet the mission of the agency.

GM/mt