

1 SENATE BILL 454

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Steven P. Neville

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10 AN ACT

11 RELATING TO NATURAL RESOURCES; ENACTING THE AGRICULTURAL AND  
12 NATURAL RESOURCES TRUST FUND ACT; CREATING THE AGRICULTURAL AND  
13 NATURAL RESOURCES TRUST FUND AND THE AGRICULTURAL AND NATURAL  
14 RESOURCES GRANT FUND; PROVIDING FOR GRANTS PROTECTING  
15 AGRICULTURAL AND NATURAL RESOURCES; MAKING AN APPROPRIATION.

16  
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
19 cited as the "Agricultural and Natural Resources Trust Fund  
20 Act".

21 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
22 Agricultural and Natural Resources Trust Fund Act:

23 A. "commission" means the soil and water  
24 conservation commission;

25 B. "department" means the New Mexico department of

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1 agriculture;

2 C. "director" means the director of the New Mexico  
3 department of agriculture;

4 D. "district" means a soil and water conservation  
5 district;

6 E. "natural resource heritage" means renewable  
7 natural resources managed under a balanced stewardship that  
8 provides for the optimization of social, economic and cultural  
9 benefits for the residents of New Mexico;

10 F. "qualified entity" means a state agency, an  
11 instrumentality of a political subdivision of the state or a  
12 tribal government or an entity with tax-exempt status pursuant  
13 to Section 501(c)(3) of the United States Internal Revenue Code  
14 of 1986; and

15 G. "soil health" means enhancing the continuing  
16 capacity of soils to function as a biological system,  
17 increasing soil organic matter and carbon content, improving  
18 soil structure and water and nutrient-holding capacity and  
19 resulting in net long-term greenhouse gas benefits.

20 SECTION 3. [NEW MATERIAL] AGRICULTURAL AND NATURAL  
21 RESOURCES TRUST FUND CREATED--INVESTMENT--DISTRIBUTION.--

22 A. The "agricultural and natural resources trust  
23 fund" is created in the state treasury. The trust fund shall  
24 consist of money appropriated, donated or otherwise accruing to  
25 the fund. Money in the trust fund shall be invested by the

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1 state investment officer as land grant permanent funds are  
2 invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings  
3 from investment of the trust fund shall be credited to the  
4 fund, and unexpended and unencumbered balances in the trust  
5 fund shall not revert to any other fund. Money in the trust  
6 fund shall not be expended for any purpose, but an annual  
7 distribution from the trust fund shall be made to the  
8 agricultural and natural resources grant fund pursuant to this  
9 section.

10 B. On July 1 of each year in which adequate money  
11 is available in the agricultural and natural resources trust  
12 fund, an annual distribution shall be made from the trust fund  
13 to the agricultural and natural resources grant fund in the  
14 amount of the earned income of the trust fund from the prior  
15 calendar year.

16 SECTION 4. [NEW MATERIAL] AGRICULTURAL AND NATURAL  
17 RESOURCES GRANT FUND CREATED--PURPOSE--APPROPRIATIONS.--

18 A. The "agricultural and natural resources grant  
19 fund" is created in the state treasury and shall be  
20 administered by the department. The grant fund shall consist  
21 of distributions from the agricultural and natural resources  
22 trust fund and money appropriated by the legislature or  
23 distributed or otherwise allocated to the grant fund for the  
24 purpose of supporting qualified grants. Balances in the grant  
25 fund at the end of a fiscal year shall not revert to any other

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1 fund. Money appropriated to the grant fund or otherwise  
2 accruing to it shall not be disbursed in any manner except as  
3 provided in the Agricultural and Natural Resources Trust Fund  
4 Act. The grant fund may consist of subaccounts as determined  
5 to be necessary by the department.

6 B. Money in the agricultural and natural resources  
7 grant fund is appropriated to the department for grants  
8 approved pursuant to the Agricultural and Natural Resources  
9 Trust Fund Act.

10 C. Money appropriated from the agricultural and  
11 natural resources grant fund shall not be used for the  
12 acquisition of real property or the acquisition of water  
13 rights.

14 D. Up to five percent of the income received from  
15 investment of the agricultural and natural resources grant fund  
16 may be expended in any one fiscal year for costs of  
17 administration of the fund and administration of grants  
18 approved pursuant to the Agricultural and Natural Resources  
19 Trust Fund Act. Administrative costs include staff salaries  
20 and expenses related to administration of the agricultural and  
21 natural resources grant fund.

22 E. Disbursements from the agricultural and natural  
23 resources grant fund shall be made only upon warrants drawn by  
24 the secretary of finance and administration pursuant to  
25 vouchers signed by the director or the director's designated

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1 representative.

2 SECTION 5. [NEW MATERIAL] GRANT APPLICATIONS--GRANT  
3 PURPOSES--CRITERIA FOR GRANT APPROVAL.--

4 A. Qualified entities may apply for grants from the  
5 agricultural and natural resources grant fund.

6 B. Grants approved pursuant to the Agricultural and  
7 Natural Resources Trust Fund Act shall serve the following  
8 purposes:

9 (1) demonstrating a public benefit;

10 (2) increasing water supply and improving  
11 water quality through improved soil health and watershed  
12 health;

13 (3) conserving, maintaining, protecting and  
14 developing rangeland and forest resources, wildlife resources,  
15 the environment and New Mexico's natural resource heritage;

16 (4) developing rangeland improvements that  
17 serve to improve rangeland management, agricultural production,  
18 soil health and wildlife habitat;

19 (5) controlling, managing or exterminating  
20 invading species, noxious weeds and range-damaging pests;

21 (6) participating in water enhancement  
22 projects to benefit rangeland management and aquatic habitat  
23 for fish populations and to allow for other watershed  
24 enhancements that benefit wildlife;

25 (7) encouraging and implementing land

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1 management techniques that promote and increase soil health;

2 (8) improving and maintaining existing  
3 terrestrial habitat necessary to maintain optimum wildlife  
4 populations;

5 (9) improving and maintaining existing aquatic  
6 habitat necessary to maintain optimum fish populations;

7 (10) addressing and mitigating impacts  
8 detrimental to rangeland and forest resources, livestock  
9 forage, wildlife habitat, the environment and the multiple use  
10 of renewable natural resources attributable to residential,  
11 mineral and industrial development; or

12 (11) mitigating conflicts and reducing  
13 potential for disease transmission between wildlife and  
14 domestic livestock.

15 C. Criteria for approving grant applications shall  
16 include the following:

17 (1) the extent to which a proposed project  
18 will accomplish the purposes set forth in Subsection B of this  
19 section;

20 (2) whether the applicant will provide  
21 matching funds or in-kind contributions; and

22 (3) the involvement of partnerships between  
23 public and private entities.

24 SECTION 6. [NEW MATERIAL] GRANT APPLICATION PROCESS--  
25 REVIEW--APPROVAL.--

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1           A. Qualified entities may only submit applications  
2 for grants to a district.

3           B. Districts shall review grant applications  
4 submitted to them and shall determine whether the grant  
5 applicant is qualified to receive a grant and whether the grant  
6 application meets the criteria for eligibility pursuant to the  
7 Agricultural and Natural Resources Trust Fund Act. If a  
8 district determines a grant application has been submitted by a  
9 qualified entity and the proposed project meets the criteria  
10 for grant eligibility, the district shall forward the grant  
11 application to the commission for its review and  
12 recommendation. When forwarding a grant application to the  
13 commission, a district may provide a recommendation regarding  
14 the disposition of the grant application.

15           C. The commission shall review and prioritize grant  
16 applications in the manner provided by rule and shall forward  
17 its recommendations to the director.

18           D. The director shall consider the recommendations  
19 of the commission regarding grant applications and has the  
20 discretion to approve and prioritize grant applications for  
21 implementation pursuant to Section 7 of the Agricultural and  
22 Natural Resources Trust Fund Act.

23           SECTION 7. [NEW MATERIAL] DUTIES OF THE DEPARTMENT.--

24           A. The department shall:

25                 (1) promulgate rules regarding qualifications

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1 for grant applicants, forms and procedures for the receipt and  
2 review of grant applications, standards for approving and  
3 prioritizing applications for grant projects and terms and  
4 conditions for implementing approved grant projects;

5 (2) to the extent funds from the agricultural  
6 and natural resources grant fund are available, implement  
7 approved grants according to priorities established by the  
8 director;

9 (3) enter into contracts for approved grants  
10 according to priorities established by the director; and

11 (4) by no later than September 30 of each  
12 year, report to the governor and the appropriate interim  
13 legislative committee on grants awarded during the previous  
14 fiscal year and the progress and results of projects funded  
15 through the agricultural and natural resources grant fund.

16 B. The department may recover from the agricultural  
17 and natural resources grant fund the costs of administering the  
18 fund and originating and monitoring grants subject to the  
19 limitation set forth in Subsection C of Section 4 of the  
20 Agricultural and Natural Resources Trust Fund Act.

21 **SECTION 8. APPROPRIATION.**--One hundred fifty million  
22 dollars (\$150,000,000) is appropriated from the general fund to  
23 the agricultural and natural resources trust fund in fiscal  
24 year 2020. Any unexpended or unencumbered balance remaining at  
25 the end of a fiscal year shall not revert to the general fund.

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SECTION 9. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019.