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## FISCAL IMPACT REPORT

SPONSOR McQueen LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 01/23/23  
SHORT TITLE Natural Heritage Conservation Act BILL \_\_\_\_\_  
Amendments NUMBER House Bill 45  
ANALYST Sanchez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
State Forestry	No fiscal impact	\$35.0	\$35.0	\$70.0	Recurring	General Fund
<b>Total</b>	<b>No Fiscal Impact</b>	<b>\$35.0</b>	<b>\$35.0</b>	<b>\$70.0</b>	<b>Recurring</b>	<b>General Fund</b>

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

Attorney General's Office (NMAG)

State Land Office (SLO)

## SUMMARY

### Synopsis of House Bill 45

House Bill 45 amends Section 75-10-2, NMSA 1978 through Section 75-10-8, NMSA 1978, or the Natural Heritage Conservation Act (NHCA), to include language allowing the Energy, Minerals and Natural Resources Department (EMNRD) to acquire "land" and "other interests in land" for conservation purposes. The statute currently allows for the acquisition of conservation or agricultural easements but does not include land acquisition in the definition of "conservation projects" or the overall purpose of the NHCA. The amendment also requires, if the acquired land is for conservation projects managed by a conservation entity, at least 10 percent of the land or other interest in land must be owned or held by EMNRD as a cotenant.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## **FISCAL IMPLICATIONS**

In their analysis, both EMNRD and the State Land Office (SLO) express concerns about the need for recurring land management funding at EMNRD. In its analysis, EMNRD explains the lack of land management staff funding may require the agency to transfer any land it acquires to other departments, such as the Department of Game and Fish, for management.

## **SIGNIFICANT ISSUES**

In its analysis, EMNRD states:

HB45, if enacted, would likely result in the Forestry Division acquiring land, which in turn would require the Forestry Division to engage in land management responsibilities that are outside its core competencies. This would require EMNRD to modify its current organizational structure to implement those provisions of the bill.

HB45 does not provide funding for the administration of the act as amended—and it also does not provide policy guidance or direction as to what sorts of land acquisition might align with the NHCA or what qualifications—such as, perhaps, mitigating the impacts of climate change or providing specific conservation benefits—such land acquisition would be meant to achieve.

While both EMNRD and SLO acknowledge the potential benefits of broadening the authority of the NHCA, without funding, it may create a fiscal and administrative burden for EMNRD and possibly other state agencies involved with land management.

## **ADMINISTRATIVE IMPLICATIONS**

In its analysis, EMNRD indicates the Healthy Forests program (also known as the State Forestry Division) does not currently have a land manager position or the statutory authority to “acquire land” for conservation purposes. Therefore, the proposed amendments to the NHCA would require the State Forestry Division to establish rules, standards, or both for acquiring and managing land outside of its current capacity and expertise.

## **TECHNICAL ISSUES**

The bill, as proposed, does not define “other interests in land,” which presents challenges for determining what conservation activities would be the end goal of such an acquisition.

SS/al/hg/rl