

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/28/2025 *Check all that apply:*
Bill Number: Senate Joint Memorial 1 Original Correction
 Amendment Substitute

Sponsor: Senator Michael Padilla **Agency Name and Code:** Economic Development Department
Short Title: Forest Restoration through Economic Development Study **Number:** 41900
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Joint Memorial 1 (SJM 1) requests that the Energy, Minerals and Natural Resources Department and the Economic Development Department jointly study and develop recommendations to expedite forest restoration through economic development in New Mexico. The memorial emphasizes the high risk of wildfires in New Mexico's forests and the need for significant thinning and watershed restoration to protect communities, water sources, and ecosystems. It highlights the challenges posed by the costly processing and removal of wood byproducts due to limited markets, which hinder necessary restoration activities. The memorial calls for state incentives to drive innovation in wood utilization, create sustainable markets for tree thinning, and reduce the overall cost of forest and watershed restoration. It outlines specific areas for study, including identifying missing business opportunities in the wood products economy, determining necessary incentives and partnerships to reduce logistical costs, examining successful wood utilization programs in other states for adaptation, and leveraging existing state programs to foster industry expansion and job creation. The departments are requested to report their findings and conclusions to the appropriate interim legislative committees dealing with natural resources and economic development by September 1, 2025.

FISCAL IMPLICATIONS

As a joint memorial, SJM 1 does not appropriate funds; therefore, it does not have a direct fiscal impact. However, the Energy, Minerals and Natural Resources Department and the Economic Development Department may incur costs associated with conducting the requested study and developing the recommendations. These costs could include staff time, research expenses, and potential consultation with external experts. The extent of these costs would depend on the scope and methodology of the study undertaken by the departments.

SIGNIFICANT ISSUES

SJM 1 poses significant challenges for the Economic Development Department as it requires an unfunded study and recommendations, necessitating the use of existing budget and staff resources. The department must allocate staff time to coordinate with the Energy, Minerals and Natural Resources Department, conduct research, and engage stakeholders, potentially delaying other initiatives. Meeting the September 1, 2025, deadline will require immediate planning, and the complexity of the study may necessitate expertise not readily available within the department, possibly requiring external consultation. While the memorial could lead to economic opportunities and job creation in the wood products sector, the lack of dedicated funding makes achieving these outcomes more challenging.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

SJM 1 requires the Energy, Minerals and Natural Resources Department and the Economic

Development Department to collaborate on a study and make recommendations to expedite forest restoration through economic development, which has several administrative implications. Both agencies must allocate staff time and resources to coordinate efforts, analyze data, engage stakeholders, and prepare a comprehensive report by September 1, 2025. This includes reviewing successful programs in other states, identifying market gaps, and proposing incentives for private sector involvement. These tasks may require significant administrative effort and resource prioritization to meet the memorial's objectives without disrupting ongoing projects.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Failure to enact SJM 1 could hinder efforts to address the economic and environmental challenges associated with forest and watershed restoration in New Mexico. Without a structured study and actionable recommendations, the state risks missing opportunities to develop sustainable markets for wood byproducts, limiting job creation and economic growth in rural and forested communities. The absence of such markets would also perpetuate high restoration costs, constraining large-scale projects needed to mitigate wildfire risks. This inaction could leave communities and critical infrastructure increasingly vulnerable to wildfires, resulting in significant economic and environmental damage. Additionally, the lack of a coordinated approach may prevent effective collaboration between state agencies, private sector entities, and local governments, further delaying solutions and perpetuating inefficiencies in addressing these urgent issues.

AMENDMENTS