

HOUSE BILL 184

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO PUBLIC FUNDS; REQUIRING THE CONSERVATION LEGACY PERMANENT FUND TO BE INVESTED IN ACCORDANCE WITH THE PRUDENT INVESTOR RULE; AMENDING THE AMOUNT OF DISTRIBUTION FROM THE PERMANENT FUND TO THE LAND OF ENCHANTMENT LEGACY FUND; AMENDING THE AMOUNT THAT MAY BE DISTRIBUTED TO CERTAIN AGENCIES FROM THE LAND OF ENCHANTMENT LEGACY FUND; PROVIDING THAT ANY UNEXPENDED BALANCES OF THOSE DISTRIBUTIONS REVERT TO THE CONSERVATION LEGACY PERMANENT FUND; RECOMPILING CERTAIN SECTIONS OF THE NMSA

.232852.3AIC February 3, 2026 (6:55pm)

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1978; TRANSFERRING THE BALANCE OF THE LAND OF ENCHANTMENT
LEGACY FUND TO THE CONSERVATION LEGACY PERMANENT FUND; MAKING
APPROPRIATIONS.

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

SECTION 1. Section 75-12-1 NMSA 1978 (being Laws 2023,
Chapter 26, Section 2) is recompiled as Section 6-4-38 NMSA
1978 and is amended to read:

"6-4-38. CONSERVATION LEGACY PERMANENT FUND--CREATED--
INVESTMENT--DISTRIBUTION.--

A. The "conservation legacy permanent fund" is
created as a nonreverting fund in the state treasury. The fund
consists of distributions, appropriations, gifts, grants,
donations and income from investment of the fund. Money in the
fund shall be invested by the state investment officer [~~with
the same risk and return profile as land grant permanent funds
are invested pursuant to Chapter 6, Article 8 NMSA 1978~~] in
accordance with the prudent investor rule as set forth in the
Uniform Prudent Investor Act. Earnings from investment of the
fund shall be credited to the fund. Money in the fund shall be
expended only as provided by this section.

B. [~~If, on July 1 of each year, the conservation
legacy permanent fund exceeds one hundred fifty million dollars
(\$150,000,000) and the investment income to the fund for the
previous fiscal year exceeded five million dollars~~

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~~(\$5,000,000), any investment income to the fund from the previous fiscal year in excess of five million dollars (\$5,000,000) shall be distributed to the land of enchantment legacy fund]~~ HENRC→~~On~~←HENRC HENRC→**Except as provided in Subsection C of this section, on**←HENRC July 1 of each year, a distribution shall be made from the permanent fund to the land of enchantment legacy fund in an amount equal to five percent of the average of the year-end market values of the permanent fund for the immediately preceding three calendar years.

HENRC→~~it~~←HENRC

HENRC→**C. On July 1, 2026, a distribution shall be made from the permanent fund to the land of enchantment legacy fund in an amount equal to five percent of the average year-end market value of the permanent fund for the preceding two calendar years."**←HENRC

SECTION 2. Section 75-12-2 NMSA 1978 (being Laws 2023, Chapter 26, Section 3) is recompiled as Section 6-4-38.1 NMSA 1978 and is amended to read:

"6-4-38.1. LAND OF ENCHANTMENT LEGACY FUND--CREATED--
DISTRIBUTION.--

A. The "land of enchantment legacy fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations and bequests made to the fund. The department of finance and administration shall administer the fund, and money

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in the fund is appropriated to that department to make distributions as provided in this section and for no other purpose. Any interest earned by the land of enchantment legacy fund shall be credited to the fund. ~~[Money in the fund shall be distributed and expended only as provided in this section.]~~

~~B. On July 1, 2024 and on July 1 of each year thereafter, the department of finance and administration shall make an annual distribution from the land of enchantment legacy fund in an amount that is the greater of twelve million five hundred thousand dollars (\$12,500,000) or twenty-five percent of the total balance of the land of enchantment legacy fund; provided that, if the total balance in the fund is less than twelve million five hundred thousand dollars (\$12,500,000), the annual distribution shall be the total fund balance. The annual distribution shall be distributed]~~

B. On receipt of the distribution made pursuant to Section 6-4-38 NMSA 1978, the department of finance and administration shall distribute the balance of the fund as follows:

(1) twenty-two and one-half percent ~~[shall be distributed]~~ to the energy, minerals and natural resources department, of which:

(a) fifty percent shall be allocated to the forestry division of the energy, minerals and natural resources department to carry out: 1) projects and programs

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pursuant to the Forest Conservation Act; 2) forest and watershed management projects; 3) approved projects pursuant to the Forest and Watershed Restoration Act; and 4) projects and programs pursuant to the Prescribed Burning Act; and

(b) fifty percent shall be allocated for projects pursuant to the Natural Heritage Conservation Act;

(2) twenty-two and one-half percent [~~shall be distributed~~] to the board of regents of New Mexico state university for the New Mexico department of agriculture to carry out programs and projects pursuant to the Noxious Weed Management Act, the Healthy Soil Act and the Soil and Water Conservation District Act;

(3) ten percent [~~shall be distributed~~] to the department of environment to plan, design and construct projects to improve surface water quality and river habitat statewide;

(4) fifteen percent [~~shall be distributed~~] to the economic development department, of which:

(a) twenty-five percent shall be allocated to the New Mexico outdoor recreation division of the economic development department to carry out projects under the outdoor equity grant program; and

(b) seventy-five percent shall be allocated to the New Mexico outdoor recreation division for special projects and outdoor recreation infrastructure;

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(5) eight percent [~~shall be distributed~~] to the cultural affairs department to carry out projects and programs pursuant to the Cultural Properties Protection Act; and

(6) twenty-two percent [~~shall be distributed~~] to the department of [~~game and fish~~] wildlife to carry out projects and programs for the protection and propagation of game and fish.

C. Any [~~unencumbered~~] unexpended balances from distributions made pursuant to Subsection B of this section shall revert to the [~~land of enchantment~~] conservation legacy permanent fund HENRC→~~at~~←HENRC HENRC→three fiscal years after←HENRC the end of the fiscal year HENRC→~~following the~~ ~~fiscal year~~←HENRC in which the [~~funds were distributed~~] distributions were made.

D. Distributions made pursuant to this section shall not be used for the purposes of eminent domain."

SECTION 3. TRANSFER.--The balance of the land of enchantment legacy fund is transferred to the conservation legacy permanent fund.

SECTION 4. EFFECTIVE DATE.--The effective date of the provisions of Sections 1 and 2 of this act is July 1, 2026.

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