

HOUSE BILL 184

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

INTRODUCED BY

Nathan P. Small and Jack Chatfield and Joseph L. Sanchez

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; RECOMPILE CERTAIN SECTIONS OF THE NMSA 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 .232852.3

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 1978 and is amended to read:

2 "6-4-38. CONSERVATION LEGACY PERMANENT FUND--CREATED--

3 INVESTMENT--DISTRIBUTION.--

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

15 B. ~~If, on July 1 of each year, the conservation~~
16 ~~legacy permanent fund exceeds one hundred fifty million dollars~~
17 ~~(\$150,000,000) and the investment income to the fund for the~~
18 ~~previous fiscal year exceeded five million dollars~~
19 ~~(\$5,000,000), any investment income to the fund from the~~
20 ~~previous fiscal year in excess of five million dollars~~
21 ~~(\$5,000,000) shall be distributed to the land of enchantment~~
22 ~~legacy fund] On July 1 of each year, a distribution shall be~~
23 ~~made from the permanent fund to the land of enchantment legacy~~
24 ~~fund in an amount equal to five percent of the average of the~~
25 ~~year-end market values of the permanent fund for the~~

.232852.3

underscored material = new
[bracketed material] = delete

immediately preceding three calendar years."

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 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

.232852.3

underscored material = new
[bracketed material] = delete

1 annual distribution shall be distributed]

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

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

9 (a) fifty percent shall be allocated to
10 the forestry division of the energy, minerals and natural
11 resources department to carry out: 1) projects and programs
12 pursuant to the Forest Conservation Act; 2) forest and
13 watershed management projects; 3) approved projects pursuant to
14 the Forest and Watershed Restoration Act; and 4) projects and
15 programs pursuant to the Prescribed Burning Act; and

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

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

24 (3) ten percent [shall be distributed] to the
25 department of environment to plan, design and construct

.232852.3

underscored material = new
[bracketed material] = delete

1 projects to improve surface water quality and river habitat
2 statewide;

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

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

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

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

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

20 C. Any ~~[unencumbered]~~ unexpended balances from
21 distributions made pursuant to Subsection B of this section
22 shall revert to the ~~[land of enchantment]~~ conservation legacy
23 permanent fund at the end of the fiscal year following the
24 fiscal year in which the ~~[funds were distributed]~~ distributions
25 were made.

.232852.3

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

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

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

8 - 6 -

underscored material = new
[bracketed material] = delete