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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 271

SHORT TITLE: Office of Natural Resources Trustee Funding

SPONSOR: Small

LAST UPDATE: _____ **ORIGINAL DATE:** 2/4/26 **ANALYST:** Davidson

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$100,000.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 2

Sources of Information

LFC Files

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 271

House Bill 271 (HB271) appropriates \$100 million from the general fund to the Office of the Natural Resource Trustee (ONRT) for the purpose of expansion of public land and restoration, while also setting aside \$30 million for state matching funds to political subdivisions of the state with approved federal assistance.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$100 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY29 shall revert to the general fund.

SIGNIFICANT ISSUES

ONRT's principal mission is to act as the trustee of the state's natural resources and protect and represent state natural resources when they are damaged by either contamination or natural disaster. For example, ONRT used the funds awarded to the state following the Gold King Mine settlement to restore the affected river, land, forest, and habitats.

In addition to restoration projects, ONRT has the authority to acquire property in pursuit of protecting the state's natural resources. The transition of previously private land to public land typically happens through a direct transfer from the owner of the property to the trustee. In the process of transitioning the River Ranch, a 1,010-acre private property, to the state, ONRT acquired the land jointly with the private, nonprofit New Mexico Land Conservancy and transferred it to the Department of Game and Fish for use as a state wildlife management area.

ONRT deploys a set of criteria for determining which projects the agency undertakes, specifically looking for shovel-ready restoration or management projects that either protect the water quality and quantity, habitat, human use benefit, or conservation efforts of the state. Additionally, ONRT requires applicants identify other sources of funding for the ongoing operations and maintenance costs of the project and land. ONRT prioritizes projects that have potential matching funds as well.

The \$100 million discussed in the bill is duplicated within the current House Appropriations and Finance Committee version of House Bill 2.

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