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SENATE BILL
55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2020
INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO NATURAL RESOURCES; ENACTING THE AGRICULTURAL AND
NATURAL RESOURCES CONSERVATION TRUST FUND ACT; CREATING THE
AGRICULTURAL AND NATURAL RESOURCES TRUST FUND AND THE AGRICULTURAL
AND NATURAL RESOURCES GRANT FUND; PROVIDING FOR GRANTS PROTECTING
AGRICULTURAL AND NATURAL RESOURCES; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE. -- This act may be
cited as the "Agricultural and Natural Resources Conservation
Trust Fund Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS. -- As used in the
Agricultural and Natural Resources Conservation Trust Fund Act:

A. "commission" means the soil and water
conservation commission;

B. "department" means the New Mexico department of

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1 agriculture;

2 C. "director" means the director/secretary of the New
3 Mexico department of agriculture;

4 D. "district" means a soil and water conservation
5 district;

6 E. "qualified entity" means a state agency, an
7 instrumentality of a political subdivision of the state or a
8 tribal government or a corporation or organization that applies
9 for a project or is conducting a project in conjunction with an
10 agency; and

11 G. "soil health" means enhancing the continuing
12 capacity of soils to function as a biological system,
13 increasing soil organic matter and improving
14 soil structure and water and nutrient-holding capacity.

15 SECTION 3. [NEW MATERIAL] AGRICULTURAL AND NATURAL
16 RESOURCES TRUST FUND CREATED-- INVESTMENT-- DISTRIBUTION. --

17 A. The "agricultural and natural resources conservation
18 trust fund" is created in the state treasury. The trust fund shall
19 consist of money appropriated, donated or otherwise accruing to
the fund. Money in the trust fund shall be invested by the

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1 state investment officer as land grant permanent funds are
2 invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings
3 from investment of the trust fund shall be credited to the
4 fund, and unexpended and unencumbered balances in the trust
5 fund shall not revert to any other fund. Money in the trust
6 fund shall not be expended for any purpose, but an annual
7 distribution from the trust fund shall be made to the
8 agricultural and natural resources conservation grant fund
9 pursuant to this section.

10 B. On July 1 of each year in which adequate money
11 is available in the agricultural and natural resources ~~conservation~~
12 trust fund, an annual distribution in the amount of the earned
13 income of the trust fund from the prior calendar year shall be made
14 from the trust fund in equal amounts to:

15 (1) the department of agriculture for the
16 agricultural and natural resources conservation
17 grant fund;

18 (2) the department of energy, minerals and
19 natural resources for the natural heritage
20 conservation fund; and

21 (3) the department of environment for
22 expenditure for projects in the river stewardship
23 program.

24 SECTION 4. [NEW MATERIAL] AGRICULTURAL AND NATURAL
25 RESOURCES GRANT FUND CREATED-- PURPOSE-- APPROPRIATIONS. --

26 A. The "agricultural and natural resources conservation
27 grant fund" is created in the state treasury and shall

1 be administered by the department. The grant fund shall consist of
2 distributions from the agricultural and natural resources
3 conservation trust fund and money appropriated by the legislature
4 or distributed or otherwise allocated to the grant fund for the
5 purpose of supporting qualified grants. Balances in the grant
6 fund at the end of a fiscal year shall not revert to any other
7 fund. Money appropriated to the grant fund or otherwise
8 accruing to it shall not be disbursed in any manner except as
9 provided in the Agricultural and Natural Resources Conservation
10 Trust Fund Act. The grant fund may consist of subaccounts as
11 Determined to be necessary by the department.

12 B. Money in the agricultural and natural resources
13 conservation grant fund is appropriated to the department for
14 grants approved pursuant to the Agricultural and Natural Resources
15 Conservation Trust Fund Act.

16 C. Money appropriated from the agricultural and
17 natural resources conservation grant fund shall not be used for
18 the acquisition of real property or the acquisition of water
19 rights.

20 D. Up to five percent of the income received from
21 investment of the agricultural and natural resources conservation
22 grant fund may be expended in any one fiscal year for costs of
23 administration of the fund and administration of grants approved
24 pursuant to the Agricultural and Natural Resources Conservation
25 Trust Fund Act. Administrative costs include staff salaries
26 and expenses related to administration of the agricultural and
27 natural resources conservation grant fund.

1 E. Disbursements from the agricultural and natural
2 resources conservation grant fund shall be made only upon warrants
3 drawn by the secretary of finance and administration pursuant to
4 vouchers signed by the director or the director's designated
5 representative.

6 SECTION 5. [NEW MATERIAL] GRANT APPLICATIONS-- GRANT
7 PURPOSES-- CRITERIA FOR GRANT APPROVAL. --

8 A. Qualified entities may apply for grants from the
9 agricultural and natural resources conservation grant fund.

10 B. Grants approved pursuant to the Agricultural and
11 Natural Resources Conservation Trust Fund Act shall serve the
12 following purposes:

13 (1) demonstrating a public benefit;

14 (2) increasing water supply and improving
15 water quality through improved soil health and watershed
16 health;

17 (3) conserving, maintaining, protecting and
18 developing rangeland, farmland and forest resources, wildlife
19 resources, the environment and New Mexico's natural resource
20 heritage;

21 (4) developing rangeland improvements that
22 serve to improve rangeland management, agricultural production,
23 soil health and wildlife habitat;

24 (5) controlling, managing or exterminating
25 invading species, noxious weeds and range-damaging pests;

1 (6) participating in water enhancement
2 projects to benefit rangeland management and aquatic habitat
3 for fish populations and to allow for other watershed
4 enhancements that benefit wildlife;

5 (7) encouraging and implementing land
6 management techniques that promote and increase soil health;

7 (8) improving and maintaining existing
8 terrestrial habitat necessary to maintain optimum wildlife
9 populations;

10 (9) improving and maintaining existing aquatic
11 habitat necessary to maintain optimum fish populations;
12 or

13 (10) mitigating conflicts and reducing
14 potential for disease transmission between wildlife and
15 domestic livestock.

16 C. Criteria for approving grant applications shall
17 include the following:

18 (1) the extent to which a proposed project
19 will accomplish the purposes set forth in Subsection B of this
20 section;

21 (2) whether the applicant will provide

1 matching funds or in-kind contributions; and

2 (3) the involvement of partnerships between
3 public and private entities.

4 SECTION 6. [NEW MATERIAL] GRANT APPLICATION PROCESS--
5 REVIEW- - APPROVAL. --

6 A. Qualified entities may only submit applications
7 for grants to a district.

8 B. Districts shall review grant applications
9 submitted to them and shall determine whether the grant
10 applicant is qualified to receive a grant and whether the grant
11 application meets the criteria for eligibility pursuant to the
12 Agricultural and Natural Resources Conservation Trust Fund Act. If
13 a district determines a grant application has been submitted by a
14 qualified entity and the proposed project meets the criteria
15 for grant eligibility, the district shall forward the grant
16 application to the commission for its review and
17 recommendation. When forwarding a grant application to the
18 commission, a district may provide a recommendation regarding
19 the disposition of the grant application.

20 C. The commission shall review and prioritize grant
21 applications in the manner provided by rule and shall forward
22 its recommendations to the director.

23 D. The director shall consider the recommendations
24 of the commission regarding grant applications and has the
25 discretion to approve and prioritize grant applications for

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1 implementation pursuant to Section 7 of the Agricultural and
2 Natural Resources Conservation Trust Fund Act.

3 SECTION 7. [NEW MATERIAL] DUTIES OF THE DEPARTMENT. --

4 A. The department shall:

5 (1) develop rules regarding qualifications
6 for grant applicants, forms and procedures for the receipt and
7 review of grant applications, standards for approving and
8 prioritizing applications for grant projects and terms and
9 conditions for implementing approved grant projects;

10 (2) to the extent funds from the agricultural
11 and natural resources conservation grant fund are available,
12 implement approved grants according to priorities established by
13 the director;

14 (3) enter into contracts for approved grants
15 according to priorities established by the director; and

16 (4) by no later than September 30 of each
17 year, report to the governor and the appropriate interim
18 legislative committee on grants awarded during the previous
19 fiscal year and the progress and results of projects funded
20 through the agricultural and natural resources conservation grant
21 fund.

22 B. The department may recover from the agricultural
23 and natural resources grant fund the costs of administering the
24 fund and originating and monitoring grants subject to the
25 limitation set forth in Subsection C of Section 4 of the
26 Agricultural and Natural Resources Conservation Trust Fund Act.

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1 SECTION 8. APPROPRIATION. -- One hundred fifty million
2 dollars (\$150,000,000) is appropriated from the general fund in
3 fiscal year 2021 to the agricultural and natural resources
4 conservation trust fund. Any unexpended or unencumbered balance
5 remaining at the end of a fiscal year shall not revert to the
6 general fund.

7 Until the corpus of the trust account exceeds four hundred million
8 dollars (\$400,000,000.00) the governor may also include in his/her
9 proposed state budget recommendations additional funding of the
10 corpus to the trust account.

11 SECTION 9. EFFECTIVE DATE. -- The effective date of the
12 provisions of this act is July 1, 2020.

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