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## FISCAL IMPACT REPORT



SPONSOR: Tripp DATE TYPED: 01/30/02 HB 255

SHORT TITLE: Twenty Community National Forestry Projects SB \_\_\_\_\_

ANALYST: Trujillo

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$100.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in The General Appropriation Act

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$233.3		Non-Recurring	Federal Revenues

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received

Energy, Minerals and Natural Resources Department (EMNRD)

Environment Department (ED)

### SUMMARY

#### Synopsis of Bill

House Bill 255 appropriates \$100.0 from the general fund to EMNRD for the purpose of providing matching funds to implement the twenty community national forestry plan projects in Catron county.

### Significant Issues

EMNRD reports the appropriation would provide non-federal matching funds required for federal grants in Catron County. The program mentioned is the twenty community strategy of EMNRD. The Department is using federal funds to help implement a statewide program of assessing which communities are most vulnerable to wildland fire and developing projects to reduce this risk. Twelve critical areas in the county have been identified as having the greatest risk. The federal funds being used to conduct fuel reduction projects require a 30 percent non-federal match. Like many counties in New Mexico, Catron County has indicated they do not have sufficient budget to provide this match.

As currently drafted, the bill may violate the anti-donation provision in the state constitution because of the lack of state or county land in the affected areas. The only land besides federal land is privately owned. To comply with the anti-donation provision a state entity such as the Soil and Water Conservation Districts would need to have complete control over the project and dispersion of the funds. The majority of the landowners in the affected area would need to be part of a district developed by SWCDs created to develop fuel breaks or watershed restoration. These projects can only be effective if most landowners participate and could not be accomplished by a few landowners working separately.

### **FISCAL IMPLICATIONS**

The appropriation of \$100.0 contained in this bill is a non-recurring expense to EMNRD. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

EMNRD reports the appropriation will provide project funds. Using the currently approved 30:70 formula, the \$100,000 appropriation will match \$233,333 in federal funds for a total program amount of \$333,333.

### **ADMINISTRATIVE IMPLICATIONS**

EMNRD indicates The Forestry Division is actively pursuing projects in Catron County. The appropriation would provide funds for projects on non-federal lands in Catron County.

### **TECHNICAL ISSUES**

In order to provide clarity, EMNRD suggests the bill should be amended to indicate the program name is "twenty community strategy." This will clarify the projects are part of a state initiative that are implemented using federal appropriations.

EMNRD suggests the following amendments:

On lines 12, 13 and 14, the bill title should read: RESOURCES DEPARTMENT FOR THE PURPOSE OF PROVIDING FUNDS TO IMPLEMENT THE TWENTY COMMUNITY STRATEGY PROJECTS IN CATRON COUNTY.

On lines 20 through 22, the bill should read: expenditure in fiscal year 2003 to implement the twenty community strategy projects. If funds are used for fire hazard reduction projects that involve private lands, energy, minerals and natural resources department shall provide those funds to local soil and water conservation districts in Catron County for projects that protect communities. In order to expend the funds a majority of landowners in the affected areas must enter into agreements with the soil and water conservation districts.

**OTHER SUBSTANTIVE ISSUES**

SE reports there are additional efforts under this national forest initiative throughout New Mexico, which may also require matching funds for their accomplishment. Implementing the “twenty community” national forestry projects can improve overall watershed health and water yield.

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