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## FISCAL IMPACT REPORT

SPONSOR: Feldman DATE TYPED: 02/4/03 HB \_\_\_\_\_

SHORT TITLE: Natural Resources Trustee Fund Purpose SB 107

ANALYST: Valenzuela

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(\$332.3)		Non-recurring	General Fund
		See Narrative	Recurring	Game Protection Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

- LFC Budget Recommendation and Assessment for the Office of Natural Resources Trustee, *Report of the Legislative Finance Committee to the Forty-sixth Legislature, First Session, January 2003 for Fiscal Year 2003 – 2004*, pp. 594 - 598.

#### Responses Received From

Department of Environment (NMED)  
Office of Natural Resources Trustee (ONRT)  
Department of Game and Fish (DGF)

### SUMMARY

#### Synopsis of Bill

Senate Bill 107 amends the enabling act that created the Office of the Natural Resources Trustee. The bill eliminates language requiring the agency to repay the general fund, from its interest and earnings accruing in the natural resources trustee fund, for its startup costs and those of the Attorney General's office. The bill further restricts the use of the interest and earnings to the ONRT alone. SB107 also makes minor changes to clean up the statute.

#### Significant Issues

The ONRT enabling act was designed for the agency to become self-sustaining from the settlements it makes with companies who damage New Mexico's natural resources. To date, the

agency has settled cases with two companies, both of which operated manufacturing facilities in Albuquerque. The largest settlement was with Sparton Technologies for \$1,000.0 and another settlement with the Van Rogers site for \$200.0. To date, the fund has accrued more than \$135.0 but has not repaid any amount to the general fund.

Aside from the repayment issue, SB107 also restricts the use of the fund to only the ONRT. Under the current statute, after the agency repays the general fund, the statute allows the agency and the Office of the Attorney General to budget the interest and earnings to cover its operating expenditures. Any interest or earnings remaining, according to the statute, are to be deposited into the Department of Game and Fish's Game Protection Fund.

The agency may be close to settlements with Burlington Northern Santa Fe for its Clovis railroad site and General Electric at its Albuquerque South Valley site.

### **FISCAL IMPLICATIONS**

Senate Bill 107 does not contain an appropriation. Enactment would have a negative fiscal impact of \$332.2 to the general fund, which represents the expected repayments.

The Department of Game and Fish notes that any interest and earnings remaining in the fund shall be deposited into the Game Protection Fund to support its current non-game program, for which it budget \$600.0 annually. DGF also notes that it could use find a federal funds match for the interest and earnings remaining in the fund.

### **POSSIBLE QUESTIONS**

What is the status of the settlement negotiations with Burlington Northern Santa Fe for its Clovis site ?

For the General Electric Albuquerque South Valley site, will the Trustee be involved in the settlement negotiations ? Is the Office of the Attorney General leading the negotiations ?

**MFV/njw:sb**