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## FISCAL IMPACT REPORT

**SPONSOR** Cisneros **ORIGINAL DATE** 01/22/2007  
**LAST UPDATED** 02/19/2007 **HB** \_\_\_\_\_

**SHORT TITLE** Natural Resources Trustee Fund & Office **SB** 15/aSFC

**ANALYST** Moser

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: 75-7-1 to 75-7-5 NMSA 1978

Duplicates SB261

Duplicates Appropriation in the General Appropriation Act

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From:

The Office of the Natural Resources Trustee (ONRT)

### **SUMMARY**

#### Synopsis of SFC Amendment

The Senate Judiciary Committee amendment for Senate Bill 15 removes the appropriation of \$500,000 as this amount duplicates the appropriation in the General Appropriation Act for the ONRT.

#### Synopsis of Original Bill

Senate Bill 15 appropriates \$500 thousand from the General Fund to ONRT for the purpose of establishing and funding a revolving fund which would cover initial start up costs for recovery projects.

**FISCAL IMPLICATIONS**

The ONRT indicates that it has successfully recovered start up costs in each one of its cases to date. Therefore, ONRT does not expect additional special appropriations anytime in the foreseeable future

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall not revert to the general fund.

**SIGNIFICANT ISSUES**

Start up costs in the past has been funded partly from the natural resources trustee fund. The ONRT has been advised by the Attorney General’s Office that these monies by law “...must be used for the purpose of restoring, replacing, or acquiring the equivalent of the injured natural resources,” and , may not be used for operating expenses. This bill establishes a one-time appropriation. The ONRT is allowed to collect through the court for actual costs incurred. As these monies, are collected they will be deposited into the revolving fund to offset future start-up costs.

**PERFORMANCE IMPLICATIONS**

This bill the ONRT states “...would allow the state to take on larger cases where start up costs may substantially exceed \$500 thousand.” This would allow the state to recover substantial settlements for the state.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The state will be required to appropriate additional monies from the general fund to meet the mission of the agency.

GM/mt:nt