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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/08

SPONSOR Moore LAST UPDATED _____ HB 565

SHORT TITLE NMSU Range Task Force Timber Harvest Study SB _____

ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$50.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 476

Related to General Appropriation Act appropriations to NMSU Agricultural Experiment Station

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Energy, Minerals and Natural Resources Department (EMNRD),

State Forestry

New Mexico State University

SUMMARY

Synopsis of Bill

House Bill 565 appropriates \$50,000 from the General Fund to the Board of Regents of New Mexico State University for the purpose of research by the Range Improvement Task Force on the impact and unintended consequences of revised commercial timber harvesting requirements.

FISCAL IMPLICATIONS

The appropriation of \$50.0 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 09 shall revert to the general fund.

While research activities would typically be considered recurring, NMSU states “the Range Improvement Task Force (RITF) will ... produce a report within one year analyzing the impacts and effects of revisions to timber harvesting regulations.” Therefore, this bill is shown as making a non-recurring appropriation.

SIGNIFICANT ISSUES

This proposed funding was not submitted as an expansion proposal by NMSU to the HED for consideration in fall 2007, and was not included in the Department’s funding recommendation for FY09. NMSU notes “the RITF did not solicit this support... the request is being made by stakeholders and producers ...who wish to initiate a review of recent revisions to NM State Forestry timber harvesting regulations. There is a concern that these revisions will limit restoration activities in woodland habitats throughout the state.”

EMNRD notes “The Forest Conservation Act, NMSA 1978, Sections 68-2-1 to 68-2-28 (Laws 1959, Chapter 122) was initially adopted in 1959. NMSA 1978, Section 68-2-15 authorizes the Forestry Division (Division) to make and enforce rules necessary for the prevention and suppression of forest fires and for the control of forest pests and the application of commercial forest practices. This includes the authority to require “commercial forest vegetative types to be harvested in such manner as to support forest practices that maintain and enhance the economic benefits of forests and forest resources to New Mexico”.

The Forestry Division first developed timber harvesting and forest regeneration rules in 1979 and adopted the Commercial Timber Harvesting Requirements, 19.20.4 NMAC in 2002 and amended 19.20.4 NMAC in 2007. According to EMNRD, the purpose of 19.20.4 NMAC is to require appropriate harvesting practices of commercial forest species on non-municipal and non-federal lands in the State of New Mexico.

EMNRD continues:

“Since 2002, the interest in using woody biomass, including trees such as piñon and juniper, for electricity production, cellulosic ethanol fuel and for heating in New Mexico has increased. In addition, piñon and juniper trees are being commercially harvested on a large scale for fire wood and to a smaller scale for wood composite manufacturing. Due to the commercial nature of these existing and planned activities, the Division added these species to the commercial timber harvesting requirements. The requirements assure that the harvests are silviculturally sound and that owners and other responsible persons or entities comply with harvesting methods and slash treatment to reduce fire threat and insect and disease infestations. It is also important for the Division to compel harvest methods and erosion management standards that ensure harvest activities do not negatively affect water quality.”

ADMINISTRATIVE IMPLICATIONS

EMNRD notes: “During the rulemaking process, some individuals commented that the addition of piñon and juniper species to the commercial forest species list would prevent the harvesting of those species and therefore prevent forest and watershed restoration projects. However, the addition of the species does not prohibit the harvesting of the species, the rule simply requires that the landowner obtain a permit and comply with the harvesting standards, which reduce the risk of wildfires and the threat of forest insect and disease epidemics and protect water quality in associated water courses. In fact, NMSA 1978, Section 68-2-16 specifically provides that

landowners may convert their forested lands to other uses, which means a landowner could clear-cut an area provided that they obtain a permit and comply with the associated harvest plan.”

According to EMNRD, some statements made during the comment period indicated that some believed that piñon and juniper species are invasive species and should be eradicated. EMNRD notes “This is not a biologically sound perspective. In fact, several native plants, such as piñon, juniper, sagebrush, creosote, etc. have been mislabeled as “invasive species” by some private and public land managers in New Mexico. Piñon and juniper tree species are native trees and are an integral part of many ecosystems in New Mexico. It is important that citizens become aware that these are indigenous (not invasive) species. Management of these species’ habitat should focus on ecosystem and watershed health and sustainability instead of focusing upon the elimination of native floristic elements.”

OTHER SUBSTANTIVE ISSUES

According to EMNRD, prior to adoption of the revised rules and regulation, the State Forestry Division reviewed the recent rule amendment for adverse effects to small businesses and found little potential for significant impacts on small businesses. EMNRD notes that non-commercial tree cutting is exempt from the permitting requirements. Commercial harvesting under 75 acres for fire wood a year is also excluded from the permitting requirements. In addition, other commercial harvesting of less than 25 acres per year does not require a permit.

The State Forestry Division states it will assist landowners with the applications and expects to issue permits within 30 days. Obtaining the permit will not cause unreasonable expense or delay for the operator. Landowners harvesting other commercial species, such as ponderosa pine, Douglas fir and aspen have been required to obtain harvest permits for nearly 30 years.

HED notes: The Range Improvement Task Force (RITF) is an interdisciplinary team of range ecologists, wildlife experts, agricultural economists and cattle specialists that provides information for use in resolving environmental conflicts. The task force provides scientific information that helps ranchers, land managers, and policymakers make decisions about public land use.

ALTERNATIVES

HED notes an alternative would be to seek other non-state funding sources such as private or federal grants.

AW/nt