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FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/12

SPONSOR Lujan, B. LAST UPDATED 01/26/12 HB 9/aHHGAC

SHORT TITLE Address Statewide Wildfire Emergency SB _____

ANALYST Hoffmann/Sánchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Homeland Security and Emergency Management Department (HSEMD)

SUMMARY

Synopsis of HHGAC Amendment

The House Health and Government Affairs Committee amendment to House Bill 9 limits the use of the appropriation to the Pueblo of Acoma, Pueblo of Cochiti, Pueblo of Jemez, Pueblo of Santa Clara and Pueblo of San Ildefonso instead of using it for wildfires statewide.

Synopsis of Original Bill

House Bill 9 (HB9) appropriates \$1 million from the general fund to the Homeland Security and Emergency Management Department to provide the necessary resources and services to mitigate economic or physical harm caused by the effects of the severe wildfires. Recent wildfires have caused damage by enhanced soil erosion, excessive runoff and flooding. The funds could also be used to provide statewide recovery assistance to local communities affected by the severe wildfires.

The appropriation may be spent in fiscal years 2012 and 2013.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

The HSEMD claims there is no fiscal impact to administer funds provided by House Bill 9.

SIGNIFICANT ISSUES

The HSEMD reports that it currently assists local jurisdictions impacted by wildfires with emergency funding using State Executive Orders through the Appropriation Contingency Fund. Federal flood mitigation grants are available to local jurisdictions with mitigation plans in place.

Presently, there are no unfunded requests to DHSEM from the named jurisdictions in amended House Bill 9. Additionally, FEMA Disaster #4047 provides for future mitigation efforts in the Acoma, Cochiti, and Santa Clara Pueblos.

PERFORMANCE IMPLICATIONS

The HSEMD notes that the bill does not specify criteria or priorities for the use of the funds.

ADMINISTRATIVE IMPLICATIONS

According to the HSEMD, some local communities may possibly lose out on long term mitigation funding due to environmental and historical preservation issues that may take longer than the appropriation period of the bill.

TECHNICAL ISSUES

Under accounting rules, state government no longer uses “unencumbered” in appropriations.

OTHER SUBSTANTIVE ISSUES

Some local communities may possibly lose out on long term mitigation funding due to environmental and historical preservation issues that may take longer than the two year appropriation period contained in the bill.

Cross-jurisdictional wildland fires may produce cross-jurisdictional mitigation needs. Under the amended bill, funds would only be administered to specific jurisdiction. As a result, an instance may arise when mitigation is incomplete due to funding restrictions.

Additionally, other areas throughout the state, such as the Counties of Lincoln, Otero, Sandoval, Colfax, Taos, Rio Arriba, Grant, Santa Fe and Catron, experienced wildfires that may exacerbate the risk of flooding.

ABS/svb