

SENATE BILL 454

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Steven P. Neville

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO NATURAL RESOURCES; ENACTING THE AGRICULTURAL AND NATURAL RESOURCES TRUST FUND ACT; CREATING THE AGRICULTURAL AND NATURAL RESOURCES TRUST FUND AND THE AGRICULTURAL AND NATURAL RESOURCES GRANT FUND; PROVIDING FOR GRANTS PROTECTING AGRICULTURAL AND NATURAL RESOURCES; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Agricultural and Natural Resources Trust Fund Act".

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SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the

Agricultural and Natural Resources Trust Fund Act:

- A. "commission" means the soil and water conservation commission;
- B. "department" means the New Mexico department of agriculture;
- C. "director" means the director of the New Mexico department of agriculture;
- D. "district" means a soil and water conservation district;
- E. "natural resource heritage" means renewable natural resources managed under a balanced stewardship that provides for the optimization of social, economic and cultural benefits for the residents of New Mexico;

F. "qualified entity" means a state agency, an instrumentality of a political subdivision of the state or a tribal government SFC→~~or an entity with tax-exempt status pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986~~←SFC Hf1→**or an entity with tax-exempt status pursuant to Section 501 (c)(3) of the United States Internal Revenue Code of 1986**←Hf1; and

G. "soil health" means enhancing the continuing capacity of soils to function as a biological system, increasing soil organic matter and SFC→~~carbon content,~~←SFC Hf1→**carbon content**←Hf1 improving soil structure and water

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Hf1→and←Hf1 nutrient-holding capacity Hf1→SFC→.←SFC←Hf1  
SFC→and resulting in net long-term greenhouse gas  
benefits.←SFC Hf1→and resulting in net long-term greenhouse  
gas benefits.←Hf1

SECTION 3. [NEW MATERIAL] AGRICULTURAL AND NATURAL  
RESOURCES TRUST FUND CREATED--INVESTMENT--DISTRIBUTION.--

A. The "agricultural and natural resources trust fund" is created in the state treasury. The trust fund shall consist of money appropriated, donated or otherwise accruing to the fund. Money in the trust fund shall be invested by the state investment officer as land grant permanent funds are invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings from investment of the trust fund shall be credited to the fund, and unexpended and unencumbered balances in the trust fund shall not revert to any other fund. Money in the trust fund shall not be expended for any purpose, but an annual distribution from the trust fund shall be made to the agricultural and natural resources grant fund pursuant to this section.

B. On July 1 of each year in which adequate money is available in the agricultural and natural resources trust fund, an annual distribution shall be made from the trust fund to the agricultural and natural resources grant fund in the amount of the earned income of the trust fund from the prior calendar year.

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SECTION 4. [NEW MATERIAL] AGRICULTURAL AND NATURAL RESOURCES GRANT FUND CREATED--PURPOSE--APPROPRIATIONS.--

A. The "agricultural and natural resources grant fund" is created in the state treasury and shall be administered by the department. The grant fund shall consist of distributions from the agricultural and natural resources trust fund and money appropriated by the legislature or distributed or otherwise allocated to the grant fund for the purpose of supporting qualified grants. Balances in the grant fund at the end of a fiscal year shall not revert to any other fund. Money appropriated to the grant fund or otherwise accruing to it shall not be disbursed in any manner except as provided in the Agricultural and Natural Resources Trust Fund Act. The grant fund may consist of subaccounts as determined to be necessary by the department.

B. Money in the agricultural and natural resources grant fund is appropriated to the department for grants approved pursuant to the Agricultural and Natural Resources Trust Fund Act.

C. Money appropriated from the agricultural and natural resources grant fund shall not be used for the acquisition of real property SFC→~~or the acquisition of~~←SFC Hfl→~~or the acquisition of~~←Hfl Hfl→~~SFC→, conservation easements or~~←SFC←Hfl water rights.

D. Up to five percent of the income received from .212039.4

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investment of the agricultural and natural resources grant fund may be expended in any one fiscal year for costs of administration of the fund and administration of grants approved pursuant to the Agricultural and Natural Resources Trust Fund Act. Administrative costs include staff salaries and expenses related to administration of the agricultural and natural resources grant fund.

E. Disbursements from the agricultural and natural resources grant fund shall be made only upon warrants drawn by the secretary of finance and administration pursuant to vouchers signed by the director or the director's designated representative.

**SECTION 5. [NEW MATERIAL] GRANT APPLICATIONS--GRANT PURPOSES--CRITERIA FOR GRANT APPROVAL.--**

A. Qualified entities may apply for grants from the agricultural and natural resources grant fund.

B. Grants approved pursuant to the Agricultural and Natural Resources Trust Fund Act shall serve the following purposes:

- (1) demonstrating a public benefit;
- (2) increasing water supply and improving water quality through improved soil health and watershed health;
- (3) conserving, maintaining, protecting and developing rangeland SFC→, farmland←SFC and forest resources,

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wildlife resources, the environment and New Mexico's natural resource heritage;

(4) developing rangeland improvements that serve to improve rangeland management, agricultural production, soil health and wildlife habitat;

(5) controlling, managing or exterminating invading species, noxious weeds and range-damaging pests;

(6) participating in water enhancement projects to benefit rangeland management and aquatic habitat for fish populations and to allow for other watershed enhancements that benefit wildlife;

(7) encouraging and implementing land management techniques that promote and increase soil health;

(8) improving and maintaining existing terrestrial habitat necessary to maintain optimum wildlife populations;

(9) improving and maintaining existing aquatic habitat necessary to maintain optimum fish populations;

Hf1→SFC→or←SFC←Hf1

SFC→(10) ~~addressing and mitigating impacts detrimental to rangeland and forest resources, livestock forage, wildlife habitat, the environment and the multiple use of renewable natural resources attributable to residential, mineral and industrial development; or~~←SFC

Hf1→(10) addressing and mitigating impacts

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detrimental to rangeland and forest resources, livestock forage, wildlife habitat, the environment and the multiple use of renewable natural resources attributable to residential, mineral and industrial development; or

Hf1 → SFC → (11) → (10) ← SFC 11 ← Hf1 mitigating conflicts and reducing potential for disease transmission between wildlife and domestic livestock.

C. Criteria for approving grant applications shall include the following:

(1) the extent to which a proposed project will accomplish the purposes set forth in Subsection B of this section;

(2) whether the applicant will provide matching funds or in-kind contributions; and

(3) the involvement of partnerships between public and private entities.

**SECTION 6. [NEW MATERIAL] GRANT APPLICATION PROCESS-- REVIEW--APPROVAL.--**

A. Qualified entities may only submit applications for grants to a district.

B. Districts shall review grant applications submitted to them and shall determine whether the grant applicant is qualified to receive a grant and whether the grant application meets the criteria for eligibility pursuant to the Agricultural and Natural Resources Trust Fund Act. If a

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district determines a grant application has been submitted by a qualified entity and the proposed project meets the criteria for grant eligibility, the district shall forward the grant application to the commission for its review and recommendation. When forwarding a grant application to the commission, a district may provide a recommendation regarding the disposition of the grant application.

C. The commission shall review and prioritize grant applications in the manner provided by rule and shall forward its recommendations to the director.

D. The director shall consider the recommendations of the commission regarding grant applications and has the discretion to approve SFC→and prioritize←SFC grant applications for implementation pursuant to Section 7 of the Agricultural and Natural Resources Trust Fund Act.

**SECTION 7. [NEW MATERIAL] DUTIES OF THE DEPARTMENT.--**

A. The department shall:

(1) promulgate rules regarding qualifications for grant applicants, forms and procedures for the receipt and review of grant applications, standards for approving and prioritizing applications for grant projects and terms and conditions for implementing approved grant projects;

(2) to the extent funds from the agricultural and natural resources grant fund are available, implement approved grants according to priorities established by the

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director;

(3) enter into contracts for approved grants according to priorities established by the director; and

(4) by no later than September 30 of each year, report to the governor and the appropriate interim legislative committee on grants awarded during the previous fiscal year and the progress and results of projects funded through the agricultural and natural resources grant fund.

B. The department may recover from the agricultural and natural resources grant fund the costs of administering the fund and originating and monitoring grants subject to the limitation set forth in Subsection C of Section 4 of the Agricultural and Natural Resources Trust Fund Act.

SFC → ~~SECTION 8. APPROPRIATION. -- One hundred fifty million dollars (\$150,000,000) is appropriated from the general fund to the agricultural and natural resources trust fund in fiscal year 2020. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.~~ ← SFC

SECTION SFC → ~~9.~~ **8.** ← SFC EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 2019.