

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 9

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

AN ACT

RELATING TO CONSERVATION; CREATING THE CONSERVATION LEGACY
PERMANENT FUND; CREATING THE LAND OF ENCHANTMENT LEGACY FUND;
INCLUDING THE CONSERVATION LEGACY PERMANENT FUND IN THE
PERMANENT FUNDS INVESTED BY THE STATE INVESTMENT COUNCIL.

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

SECTION 1. Section 6-8-1 NMSA 1978 (being Laws 1957,
Chapter 179, Section 1, as amended) is amended to read:

"6-8-1. DEFINITIONS.--As used in Chapter 6, Article 8
NMSA 1978:

- A. "council" means the state investment council;
- B. "department" means the department of finance and
administration;
- C. "land grant permanent funds" means the permanent
school fund established by Article 12, Section 2 of the

1 constitution of New Mexico and all other permanent funds
2 derived from lands granted or confirmed to the state by the act
3 of congress of June 20, 1910, entitled "An Act To enable the
4 people of New Mexico to form a constitution and state
5 government and be admitted into the Union on an equal footing
6 with the original States...";

7 D. "permanent funds" means the land grant permanent
8 funds, rural libraries endowment fund, severance tax permanent
9 fund, tobacco settlement permanent fund, conservation legacy
10 permanent fund and water trust fund;

11 E. "secretary" means the secretary of finance and
12 administration;

13 F. "severance tax permanent fund" means the fund
14 established by Article 8, Section 10 of the constitution of New
15 Mexico;

16 G. "tobacco settlement permanent fund" means the
17 fund established by Section 6-4-9 NMSA 1978; and

18 H. "water trust fund" means the fund established by
19 Article 16, Section 6 of the constitution of New Mexico."

20 SECTION 2. A new section of Chapter 75 NMSA 1978 is
21 enacted to read:

22 "[NEW MATERIAL] CONSERVATION LEGACY PERMANENT FUND--
23 CREATED--INVESTMENT--DISTRIBUTION.--

24 A. The "conservation legacy permanent fund" is
25 created as a nonreverting fund in the state treasury. The fund

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1 consists of distributions, appropriations, gifts, grants,
 2 donations and income from investment of the fund. Money in the
 3 fund shall be invested by the state investment officer with the
 4 same risk and return profile as land grant permanent funds are
 5 invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings
 6 from investment of the fund shall be credited to the fund.
 7 Money in the fund shall be expended only as provided by this
 8 section.

9 B. If, on July 1 of each year, the conservation
 10 legacy permanent fund exceeds one hundred fifty million dollars
 11 (\$150,000,000) and the investment income to the fund for the
 12 previous fiscal year exceeded five million dollars
 13 (\$5,000,000), any investment income to the fund from the
 14 previous fiscal year in excess of five million dollars
 15 (\$5,000,000) shall be distributed to the land of enchantment
 16 legacy fund."

17 SECTION 3. A new section of Chapter 75 NMSA 1978 is
 18 enacted to read:

19 "[NEW MATERIAL] LAND OF ENCHANTMENT LEGACY FUND--CREATED--
 20 DISTRIBUTION.--

21 A. The "land of enchantment legacy fund" is created
 22 as a nonreverting fund in the state treasury. The fund
 23 consists of distributions, appropriations, gifts, grants,
 24 donations and bequests made to the fund. The department of
 25 finance and administration shall administer the fund. Any

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1 interest earned by the land of enchantment legacy fund shall be
2 credited to the fund. Money in the fund shall be distributed
3 and expended only as provided in this section.

4 B. On July 1, 2024 and on July 1 of each year
5 thereafter, the department of finance and administration shall
6 make an annual distribution from the land of enchantment legacy
7 fund in an amount that is the greater of twelve million five
8 hundred thousand dollars (\$12,500,000) or twenty-five percent
9 of the total balance of the land of enchantment legacy fund;
10 provided that, if the total balance in the fund is less than
11 twelve million five hundred thousand dollars (\$12,500,000), the
12 annual distribution shall be the total fund balance. The
13 annual distribution shall be distributed as follows:

14 (1) twenty-two and one-half percent shall be
15 distributed to the energy, minerals and natural resources
16 department, of which:

17 (a) fifty percent shall be allocated to
18 the forestry division of the energy, minerals and natural
19 resources department to carry out: 1) projects and programs
20 pursuant to the Forest Conservation Act; 2) forest and
21 watershed management projects; 3) approved projects pursuant to
22 the Forest and Watershed Restoration Act; and 4) projects and
23 programs pursuant to the Prescribed Burning Act; and

24 (b) fifty percent shall be allocated for
25 projects pursuant to the Natural Heritage Conservation Act;

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1 (2) twenty-two and one-half percent shall be
2 distributed to the board of regents of New Mexico state
3 university for the New Mexico department of agriculture to
4 carry out programs and projects pursuant to the Noxious Weed
5 Management Act, the Healthy Soil Act and the Soil and Water
6 Conservation District Act;

7 (3) ten percent shall be distributed to the
8 department of environment to plan, design and construct
9 projects to improve surface water quality and river habitat
10 statewide;

11 (4) fifteen percent shall be distributed to
12 the economic development department, of which:

13 (a) twenty-five percent shall be
14 allocated to the New Mexico outdoor recreation division of the
15 economic development department to carry out projects under the
16 outdoor equity grant program; and

17 (b) seventy-five percent shall be
18 allocated to the New Mexico outdoor recreation division for
19 special projects and outdoor recreation infrastructure;

20 (5) eight percent shall be distributed to the
21 cultural affairs department to carry out projects and programs
22 pursuant to the Cultural Properties Protection Act; and

23 (6) twenty-two percent shall be distributed to
24 the department of game and fish to carry out projects and
25 programs for the protection and propagation of game and fish.

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C. Any unencumbered balances from distributions made pursuant to Subsection B of this section shall revert to the land of enchantment legacy fund at the end of the fiscal year following the fiscal year in which the funds were distributed.

D. Distributions made pursuant to this section shall not be used for the purposes of eminent domain."

underscoring material = new
~~[bracketed material]~~ = delete