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FISCAL IMPACT REPORT

SPONSOR <u>Woods</u>	LAST UPDATED <u>3/12/2025</u> ORIGINAL DATE <u>2/8/2025</u>
SHORT TITLE <u>Wildfire Study Group</u>	BILL NUMBER <u>Senate Memorial 2/aSRC/aSCONC/a SFI#1</u>
ANALYST <u>Davidson</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
EMNRD	No fiscal impact	\$65.9	No fiscal impact	\$65.9	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Energy, Minerals and Natural Resources Department (EMNRD)

Agency Analysis was Solicited but Not Received From
 New Mexico Environment Department (NMED)
 Office of the State Engineer (OSE)
 Department of Game and Fish (DGF)

SUMMARY

Synopsis of SFI#1 Amendment to Senate Memorial 2

The Senate Floor #1 amendment to Senate Memorial 2 increases the number of members of the study group from 11 to 14 and adds a representative of a state-based property insurance carrier appointed by the state forester in consultation with the Office of the Superintendent of Insurance to the study. The amendment specifies that the memorial be conveyed to the director of the state-based property insurance carrier trade association represented in the study group.

Synopsis of SCONC Amendment to Senate Memorial 2

The Senate Conservation Committee amendment to Senate Memorial 2 adds language recognizing Indian nations, tribes, and pueblos for their stewardship of the state's lands and codifies in the bill the expertise indigenous nations have in sustaining the health of lands, waters, and ecosystems.

The amendment then edits grammar related to discussion of members of the study and increases the number of members of the study group from 11 to 13.

Synopsis of SRC Amendment to Senate Memorial 2

The Senate Rules Committee amendment for Senate Memorial 2 adds the State Land Office to the study group. The amendment also adds the Commissioner of Public Lands as one of the recipients of the memorial.

Synopsis of Senate Memorial 2

Senate Memorial 2 (SM2) would create a study group focused on how the state can better address, avoid, and mitigate wildfires. The memorial tasks the group with preparing a list of recommendations regarding legislation and funding and outlines topic areas for the study group to address, including identifying areas at highest risk of wildfires, current emergency response plans and best practices related to vegetation management, current wildfire information outreach practices and collaboration between entities during wildfires, levels of support mechanisms for affected communities and businesses, and reviewing policies related to utility services to residents before and after wildfires.

SM2 outlines the makeup of the study group, and tasks the State Forestry division of the Energy, Minerals and Natural Resources Department (EMNRD) with coordinating the study group and writing the report with the recommendations. The report is due to the appropriate interim legislative committee by November 1, 2025.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

Administration and coordination of the study group has the potential to increase the workload of the State Forestry Division (SFD). LFC analysis estimates the agency could need up to one additional FTE to accommodate for implementation of the bill. As SM2 requires the study group to issue its report after five months, the LFC estimate accounts for the additional personnel being either a temporary position or a contractor.

SIGNIFICANT ISSUES

Analysis from EMNRD notes the study topics highlighted in the memorial are already part of multiple agency plans, groups, and reports. Specifically, SFD has a Fire Planning Task Force which generates wildfire risk maps and approves county and municipality Community Wildfire Protection Plans. SFD also operates under a 10-Year Forest Action Plan and is up for a five-year review in FY26. EMNRD is also conducting a quadrennial energy review in FY26, which will cover many of the study topics in SM2. Further, EMNRD notes that, on a statewide level, the Southwest Wildfire Coordinating Group had reached out to investor-owned utilities and requested briefings regarding public safety power shutdown procedures.

EMNRD analysis also notes other listed participants in the bill's study group, like the Public Regulation Commission and Department of Homeland Security and Emergency Management, already have similar reports or studies on going that mirror the efforts of SM2.

AD/SL2/hj/SL2