

1 HOUSE BILL 184

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Nathan P. Small and Jack Chatfield and Joseph L. Sanchez  
5 and Linda M. Trujillo  
6

7  
8 FOR THE LEGISLATIVE FINANCE COMMITTEE  
9

10 AN ACT

11 RELATING TO PUBLIC FUNDS; REQUIRING THE CONSERVATION LEGACY  
12 PERMANENT FUND TO BE INVESTED IN ACCORDANCE WITH THE PRUDENT  
13 INVESTOR RULE; AMENDING THE AMOUNT OF DISTRIBUTION FROM THE  
14 PERMANENT FUND TO THE LAND OF ENCHANTMENT LEGACY FUND; AMENDING  
15 THE AMOUNT THAT MAY BE DISTRIBUTED TO CERTAIN AGENCIES FROM THE  
16 LAND OF ENCHANTMENT LEGACY FUND; PROVIDING THAT ANY UNEXPENDED  
17 BALANCES OF THOSE DISTRIBUTIONS REVERT TO THE CONSERVATION  
18 LEGACY PERMANENT FUND; RECOMPILING CERTAIN SECTIONS OF THE NMSA  
19 1978; TRANSFERRING THE BALANCE OF THE LAND OF ENCHANTMENT  
20 LEGACY FUND TO THE CONSERVATION LEGACY PERMANENT FUND; MAKING  
21 APPROPRIATIONS.  
22

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

24 SECTION 1. Section 75-12-1 NMSA 1978 (being Laws 2023,  
25 Chapter 26, Section 2) is recompiled as Section 6-4-38 NMSA  
.232852.3

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

underscored material = new  
[bracketed material] = delete

1 1978 and is amended to read:

2 "6-4-38. CONSERVATION LEGACY PERMANENT FUND--CREATED--  
3 INVESTMENT--DISTRIBUTION.--

4 A. The "conservation legacy permanent fund" is  
5 created as a nonreverting fund in the state treasury. The fund  
6 consists of distributions, appropriations, gifts, grants,  
7 donations and income from investment of the fund. Money in the  
8 fund shall be invested by the state investment officer [with  
9 ~~the same risk and return profile as land grant permanent funds~~  
10 ~~are invested pursuant to Chapter 6, Article 8 NMSA 1978]~~ in  
11 accordance with the prudent investor rule as set forth in the  
12 Uniform Prudent Investor Act. Earnings from investment of the  
13 fund shall be credited to the fund. Money in the fund shall be  
14 expended only as provided by this section.

15 B. [~~If, on July 1 of each year, the conservation~~  
16 ~~legacy permanent fund exceeds one hundred fifty million dollars~~  
17 ~~(\$150,000,000) and the investment income to the fund for the~~  
18 ~~previous fiscal year exceeded five million dollars~~  
19 ~~(\$5,000,000), any investment income to the fund from the~~  
20 ~~previous fiscal year in excess of five million dollars~~  
21 ~~(\$5,000,000) shall be distributed to the land of enchantment~~  
22 ~~legacy fund]~~ On July 1 of each year, a distribution shall be  
23 made from the permanent fund to the land of enchantment legacy  
24 fund in an amount equal to five percent of the average of the  
25 year-end market values of the permanent fund for the

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1 immediately preceding three calendar years."

2 SECTION 2. Section 75-12-2 NMSA 1978 (being Laws 2023,  
3 Chapter 26, Section 3) is recompiled as Section 6-4-38.1 NMSA  
4 1978 and is amended to read:

5 "6-4-38.1. LAND OF ENCHANTMENT LEGACY FUND--CREATED--  
6 DISTRIBUTION.--

7 A. The "land of enchantment legacy fund" is created  
8 as a nonreverting fund in the state treasury. The fund  
9 consists of distributions, appropriations, gifts, grants,  
10 donations and bequests made to the fund. The department of  
11 finance and administration shall administer the fund, and money  
12 in the fund is appropriated to that department to make  
13 distributions as provided in this section and for no other  
14 purpose. Any interest earned by the land of enchantment legacy  
15 fund shall be credited to the fund. ~~[Money in the fund shall~~  
16 ~~be distributed and expended only as provided in this section.~~

17 B. ~~On July 1, 2024 and on July 1 of each year~~  
18 ~~thereafter, the department of finance and administration shall~~  
19 ~~make an annual distribution from the land of enchantment legacy~~  
20 ~~fund in an amount that is the greater of twelve million five~~  
21 ~~hundred thousand dollars (\$12,500,000) or twenty-five percent~~  
22 ~~of the total balance of the land of enchantment legacy fund;~~  
23 ~~provided that, if the total balance in the fund is less than~~  
24 ~~twelve million five hundred thousand dollars (\$12,500,000), the~~  
25 ~~annual distribution shall be the total fund balance. The~~

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1 ~~annual distribution shall be distributed]~~

2 B. On receipt of the distribution made pursuant to  
3 Section 6-4-38 NMSA 1978, the department of finance and  
4 administration shall distribute the balance of the fund as  
5 follows:

6 (1) twenty-two and one-half percent [~~shall be~~  
7 ~~distributed]~~ to the energy, minerals and natural resources  
8 department, of which:

9 (a) fifty percent shall be allocated to  
10 the forestry division of the energy, minerals and natural  
11 resources department to carry out: 1) projects and programs  
12 pursuant to the Forest Conservation Act; 2) forest and  
13 watershed management projects; 3) approved projects pursuant to  
14 the Forest and Watershed Restoration Act; and 4) projects and  
15 programs pursuant to the Prescribed Burning Act; and

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

18 (2) twenty-two and one-half percent [~~shall be~~  
19 ~~distributed]~~ to the board of regents of New Mexico state  
20 university for the New Mexico department of agriculture to  
21 carry out programs and projects pursuant to the Noxious Weed  
22 Management Act, the Healthy Soil Act and the Soil and Water  
23 Conservation District Act;

24 (3) ten percent [~~shall be distributed]~~ to the  
25 department of environment to plan, design and construct

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1 projects to improve surface water quality and river habitat  
2 statewide;

3 (4) fifteen percent [~~shall be distributed~~] to  
4 the economic development department, of which:

5 (a) twenty-five percent shall be  
6 allocated to the New Mexico outdoor recreation division of the  
7 economic development department to carry out projects under the  
8 outdoor equity grant program; and

9 (b) seventy-five percent shall be  
10 allocated to the New Mexico outdoor recreation division for  
11 special projects and outdoor recreation infrastructure;

12 (5) eight percent [~~shall be distributed~~] to  
13 the cultural affairs department to carry out projects and  
14 programs pursuant to the Cultural Properties Protection Act;  
15 and

16 (6) twenty-two percent [~~shall be distributed~~]  
17 to the department of [~~game and fish~~] wildlife to carry out  
18 projects and programs for the protection and propagation of  
19 game and fish.

20 C. Any [~~unencumbered~~] unexpended balances from  
21 distributions made pursuant to Subsection B of this section  
22 shall revert to the [~~land of enchantment~~] conservation legacy  
23 permanent fund at the end of the fiscal year following the  
24 fiscal year in which the [~~funds were distributed~~] distributions  
25 were made.

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