

1 AN ACT

2 RELATING TO PUBLIC FUNDS; REQUIRING THE CONSERVATION LEGACY
3 PERMANENT FUND TO BE INVESTED IN ACCORDANCE WITH THE PRUDENT
4 INVESTOR RULE; AMENDING THE AMOUNT OF DISTRIBUTION FROM THE
5 PERMANENT FUND TO THE LAND OF ENCHANTMENT LEGACY FUND;
6 AMENDING THE AMOUNT THAT MAY BE DISTRIBUTED TO CERTAIN
7 AGENCIES FROM THE LAND OF ENCHANTMENT LEGACY FUND; PROVIDING
8 THAT ANY UNEXPENDED BALANCES OF THOSE DISTRIBUTIONS REVERT TO
9 THE CONSERVATION LEGACY PERMANENT FUND; RECOMPILING CERTAIN
10 SECTIONS OF THE NMSA 1978; TRANSFERRING THE BALANCE OF THE
11 LAND OF ENCHANTMENT LEGACY FUND TO THE CONSERVATION LEGACY
12 PERMANENT FUND; MAKING APPROPRIATIONS.

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. Section 75-12-1 NMSA 1978 (being Laws 2023,
16 Chapter 26, Section 2) is recompiled as Section 6-4-38 NMSA
17 1978 and is amended to read:

18 "6-4-38. CONSERVATION LEGACY PERMANENT FUND--CREATED--
19 INVESTMENT--DISTRIBUTION.--

20 A. The "conservation legacy permanent fund" is
21 created as a nonreverting fund in the state treasury. The
22 fund consists of distributions, appropriations, gifts,
23 grants, donations and income from investment of the fund.
24 Money in the fund shall be invested by the state investment
25 officer in accordance with the prudent investor rule as set

1 forth in the Uniform Prudent Investor Act. Earnings from
2 investment of the fund shall be credited to the fund. Money
3 in the fund shall be expended only as provided by this
4 section.

5 B. Except as provided in Subsection C of this
6 section, on July 1 of each year, a distribution shall be made
7 from the permanent fund to the land of enchantment legacy
8 fund in an amount equal to five percent of the average of the
9 year-end market values of the permanent fund for the
10 immediately preceding three calendar years.

11 C. On July 1, 2026, a distribution shall be made
12 from the permanent fund to the land of enchantment legacy
13 fund in an amount equal to five percent of the average
14 year-end market value of the permanent fund for the preceding
15 two calendar years."

16 SECTION 2. Section 75-12-2 NMSA 1978 (being Laws 2023,
17 Chapter 26, Section 3) is recompiled as Section 6-4-38.1 NMSA
18 1978 and is amended to read:

19 "6-4-38.1. LAND OF ENCHANTMENT LEGACY FUND--CREATED--
20 DISTRIBUTION.--

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

1 fund, and money in the fund is appropriated to that
2 department to make distributions as provided in this section
3 and for no other purpose. Any interest earned by the land of
4 enchantment legacy fund shall be credited to the fund.

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

9 (1) twenty-two and one-half percent to the
10 energy, minerals and natural resources department, of which:

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

18 (b) fifty percent shall be allocated
19 for projects pursuant to the Natural Heritage Conservation
20 Act;

21 (2) twenty-two and one-half percent to the
22 board of regents of New Mexico state university for the New
23 Mexico department of agriculture to carry out programs and
24 projects pursuant to the Noxious Weed Management Act, the
25 Healthy Soil Act and the Soil and Water Conservation District

1 Act;

2 (3) ten percent to the department of
3 environment to plan, design and construct projects to improve
4 surface water quality and river habitat statewide;

5 (4) fifteen percent to the economic
6 development department, of which:

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

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

14 (5) eight percent to the cultural affairs
15 department to carry out projects and programs pursuant to the
16 Cultural Properties Protection Act; and

17 (6) twenty-two percent to the department of
18 wildlife to carry out projects and programs for the
19 protection and propagation of game and fish.

20 C. Any unexpended balances from distributions made
21 pursuant to Subsection B of this section shall revert to the
22 conservation legacy permanent fund three fiscal years after
23 the end of the fiscal year in which the distributions were
24 made.

25 D. Distributions made pursuant to this section

