



**New Mexico State Land Office**

**Commissioner of Public Lands  
Stephanie Garcia Richard**

**REVENUE STABILIZATION & TAX POLICY  
COMMITTEE**

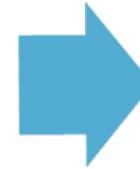
**October 6, 2022**

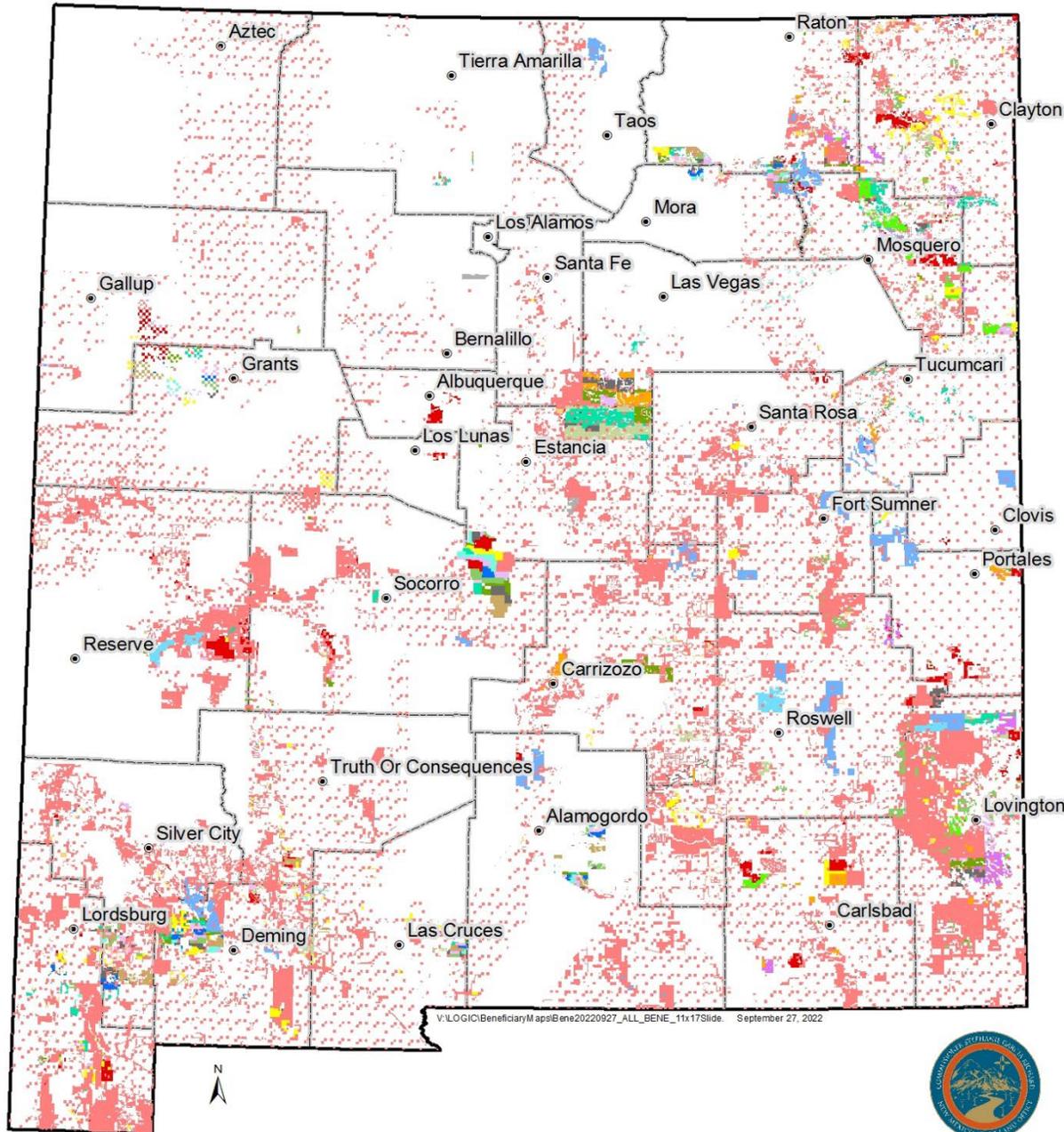
**Sunalei Stewart  
Deputy Commissioner of Operations**

# Agenda

- ✓ **State Land Trust Overview**
-  **Earnings History**
-  **LGPF Stabilization**
-  **Diversification Efforts**
-  **Questions?**

# State Land Office



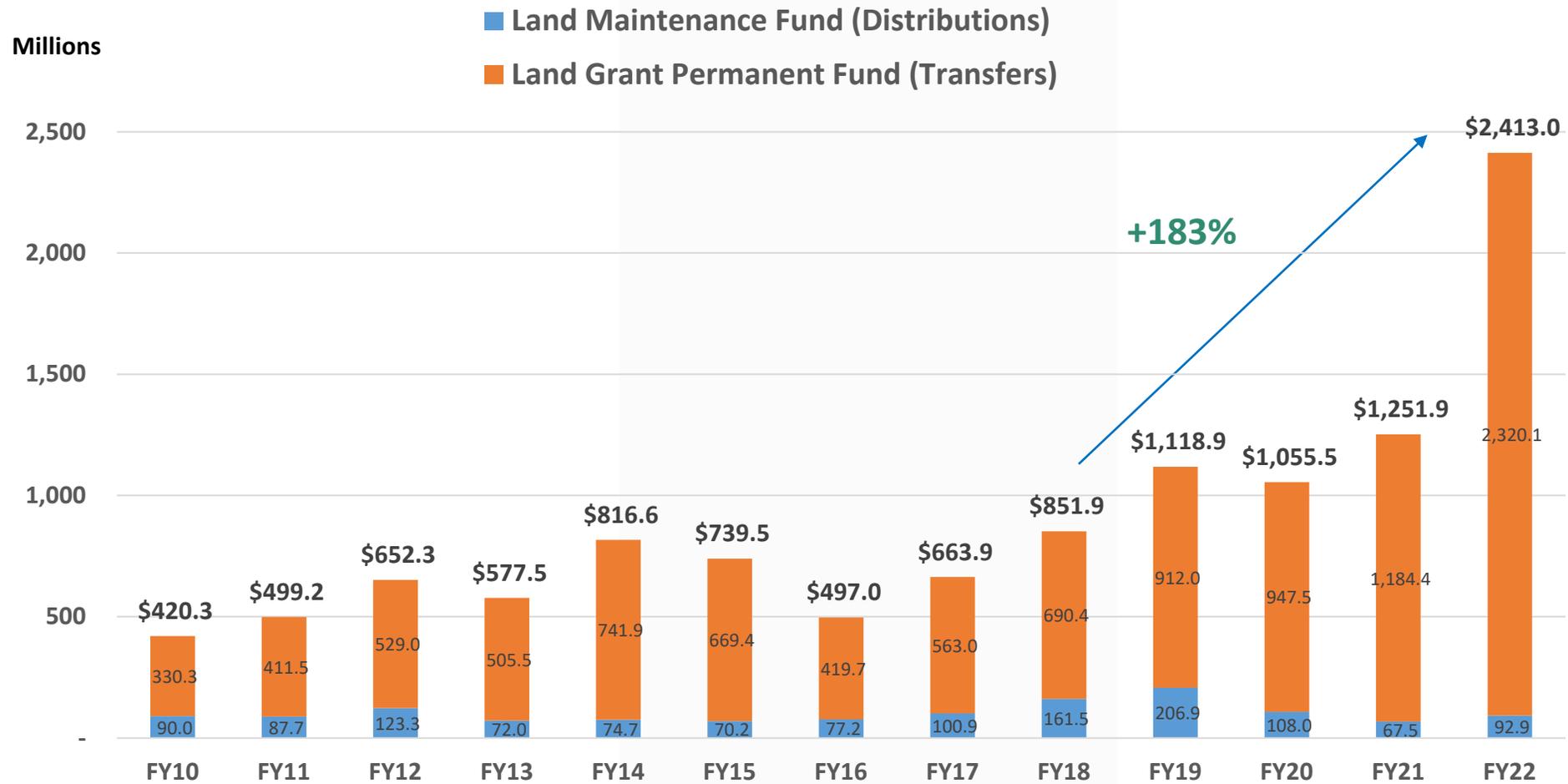


## New Mexico Land Trust Beneficiaries

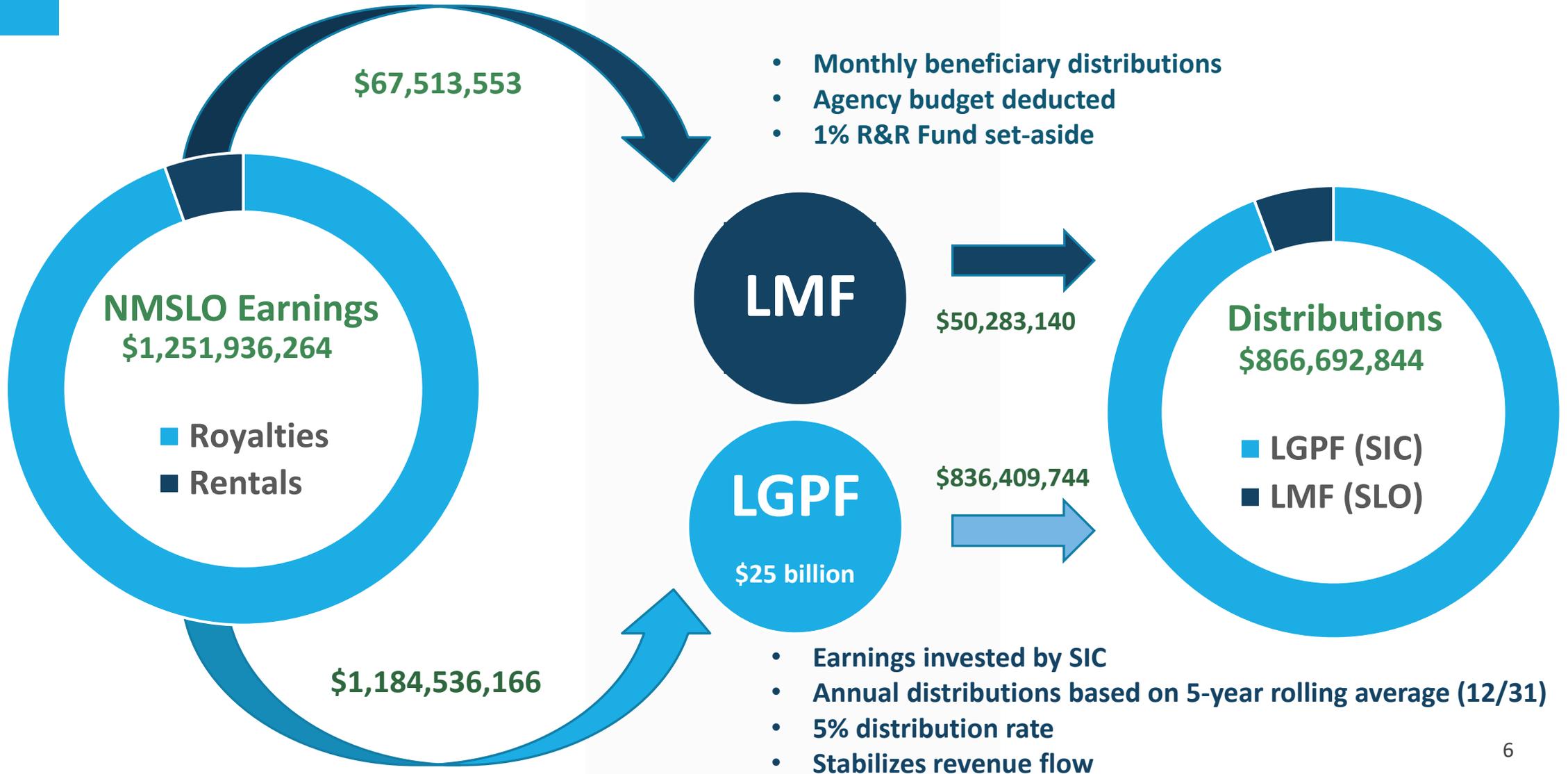
- Common Schools
- Charitable, Penal and Reform
- Carrie Tingley Hospital
- Eastern New Mexico University
- Improvements to the Rio Grande
- New Mexico Miners Hospital
- New Mexico Military Institute
- New Mexico Boys School
- Northern New Mexico College
- New Mexico Highlands University
- New Mexico Institute of Mining Technology
- New Mexico Penitentiary
- New Mexico State Hospital
- New Mexico State University
- New Mexico School for the Deaf
- New Mexico Schools for the Deaf/Visually Impaired
- New Mexico School for the Visually Impaired
- Public Buildings
- University of New Mexico
- Water Reservoirs
- Western New Mexico University
- Western New Mexico University/New Mexico Highlands University



# State Land Office Annual Earnings



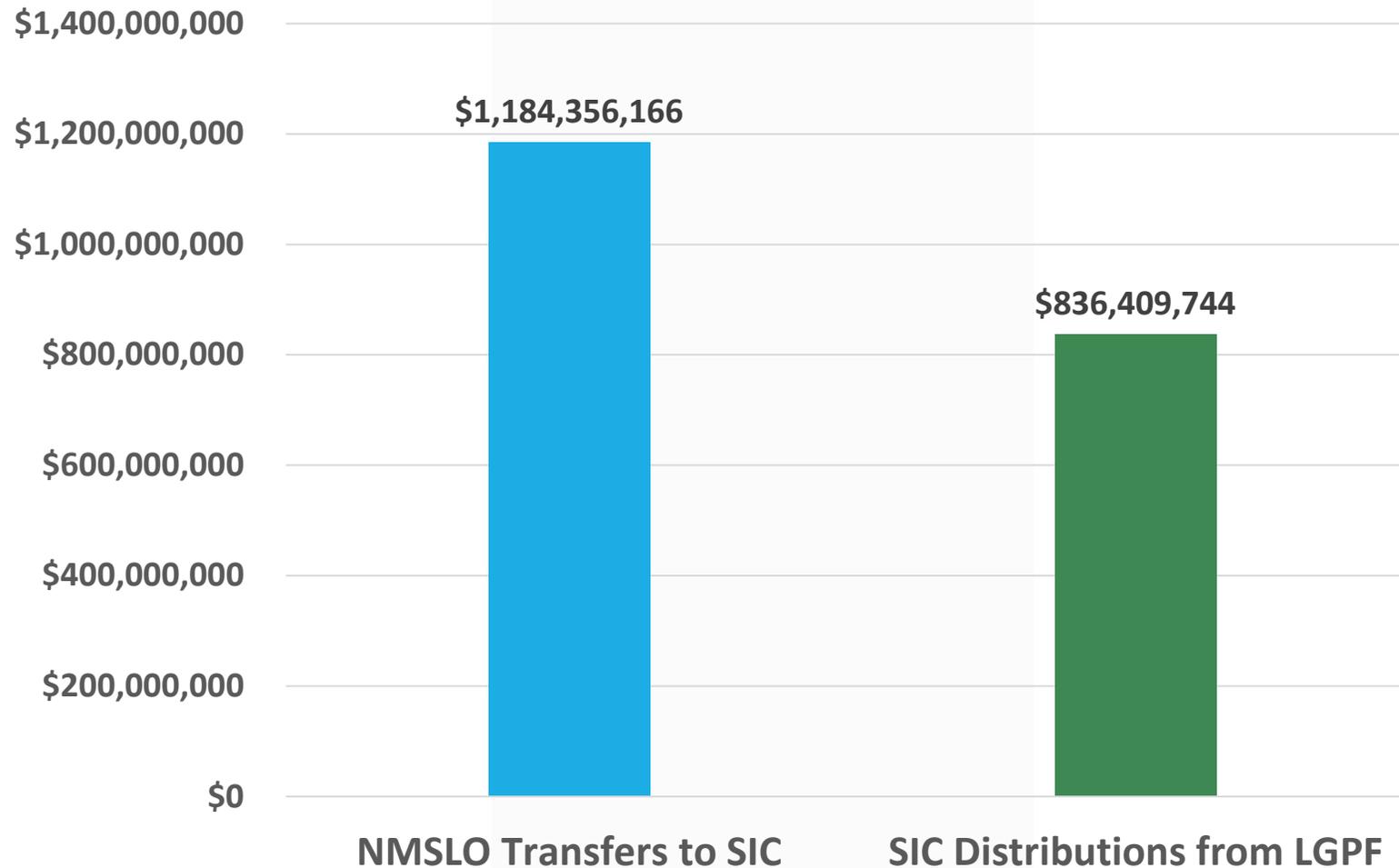
# FY21 Revenue Flow / Stabilization



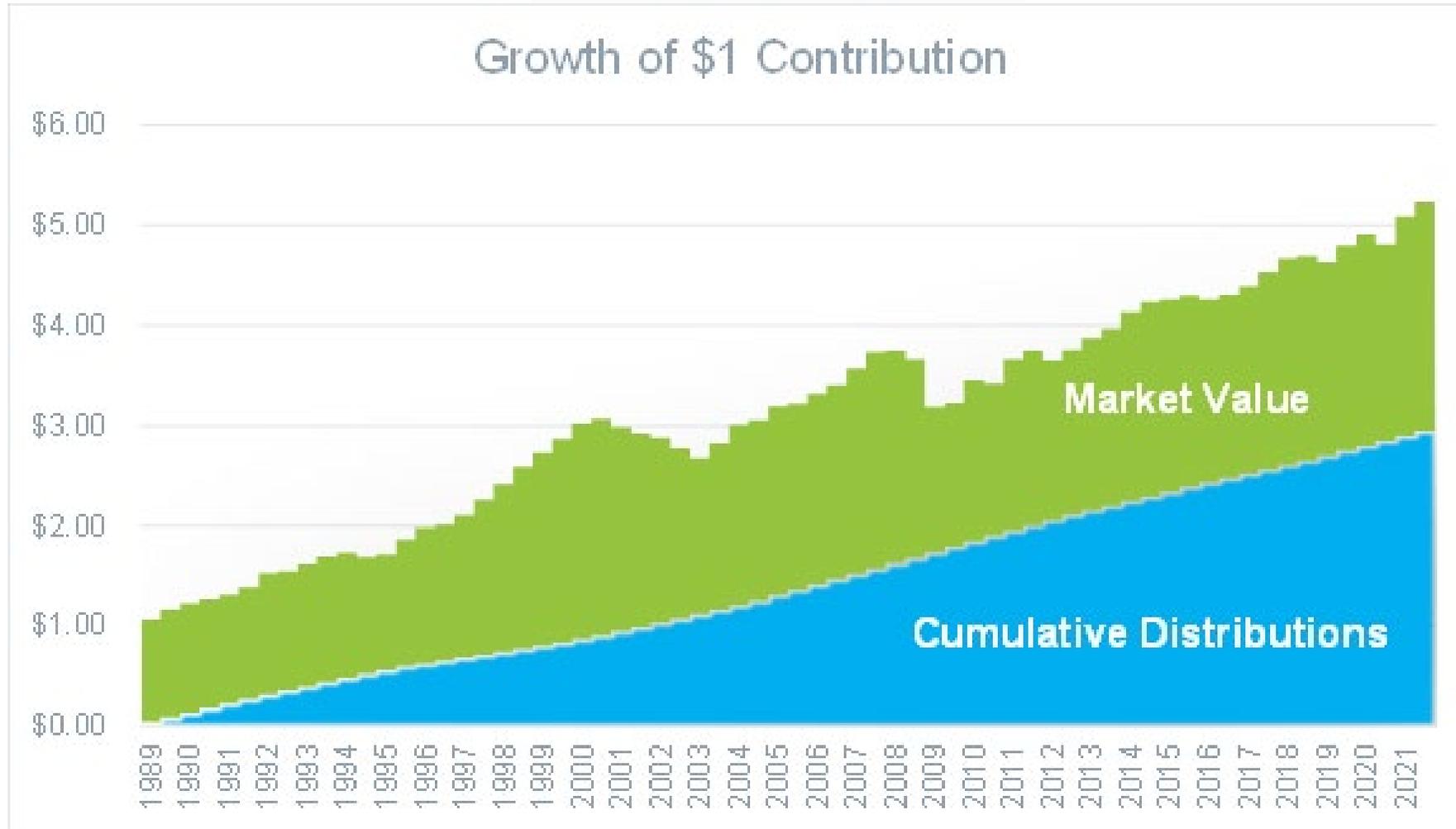
- Monthly beneficiary distributions
- Agency budget deducted
- 1% R&R Fund set-aside

- Earnings invested by SIC
- Annual distributions based on 5-year rolling average (12/31)
- 5% distribution rate
- Stabilizes revenue flow

# FY21 LGPF Inflow / Outflow

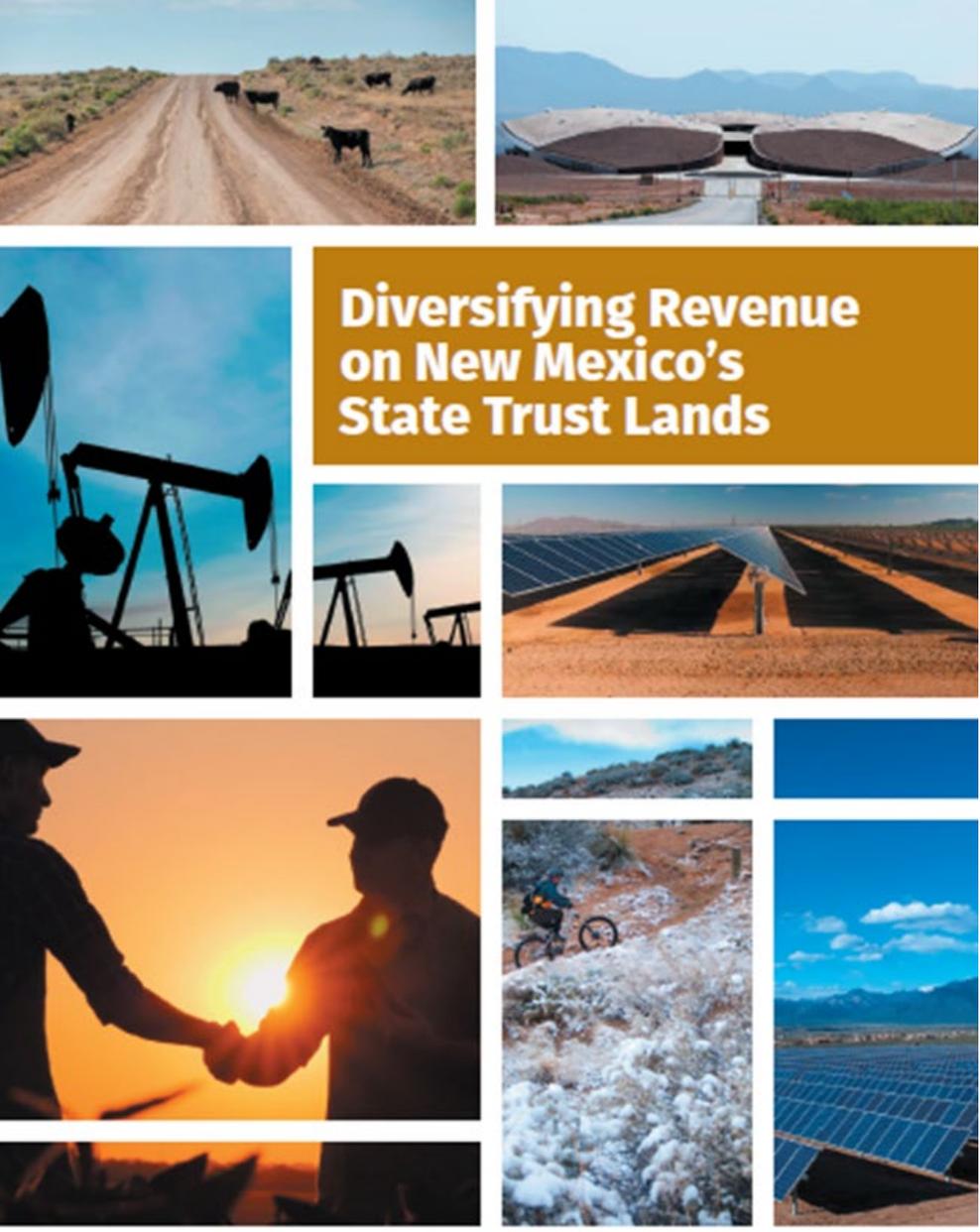


# \$1 in LGPF + 30 years = \$5 ROI



Source: SIC

# HEADWATERS ECONOMICS REPORT



## Diversifying Revenue on New Mexico's State Trust Lands

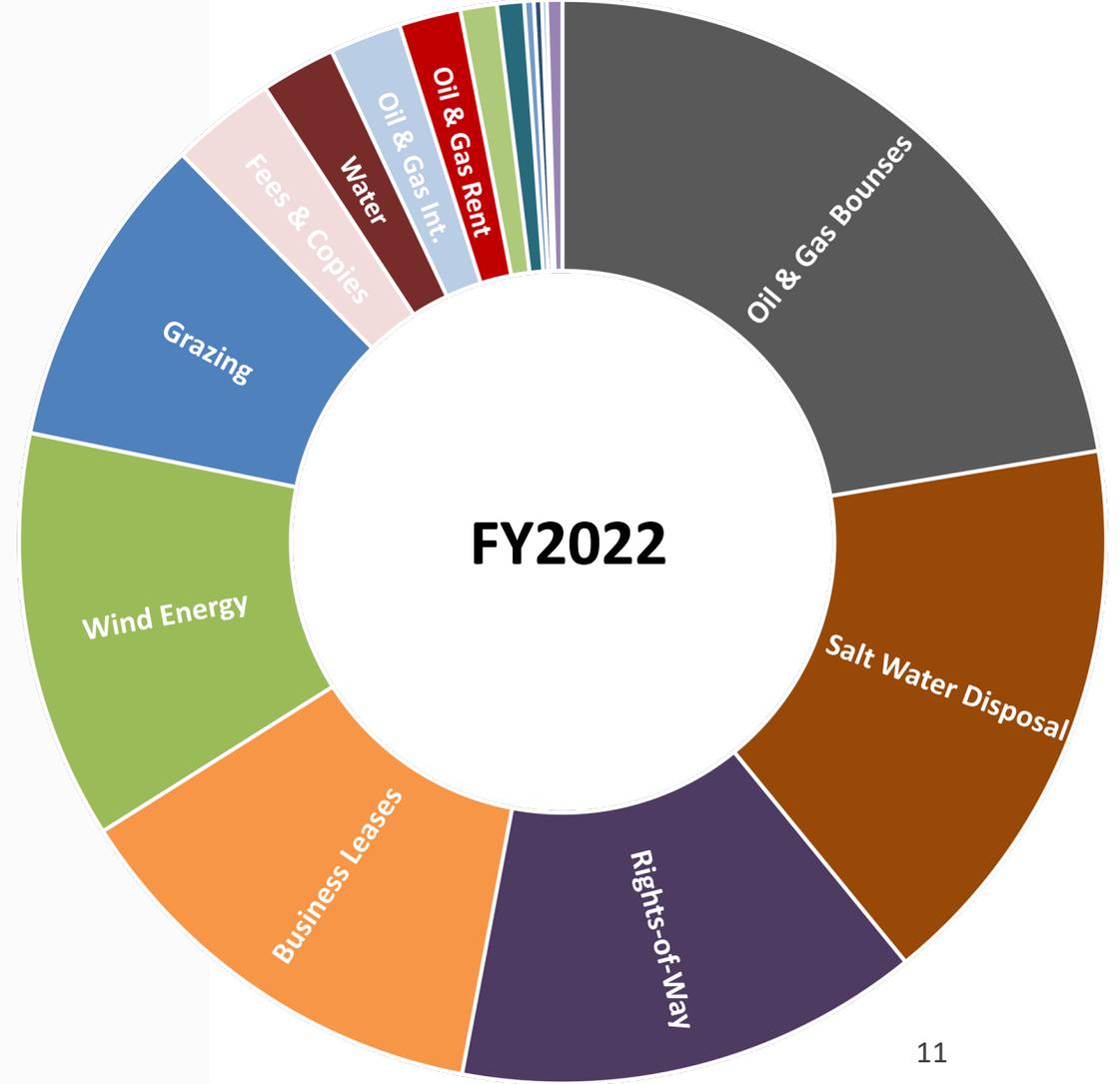
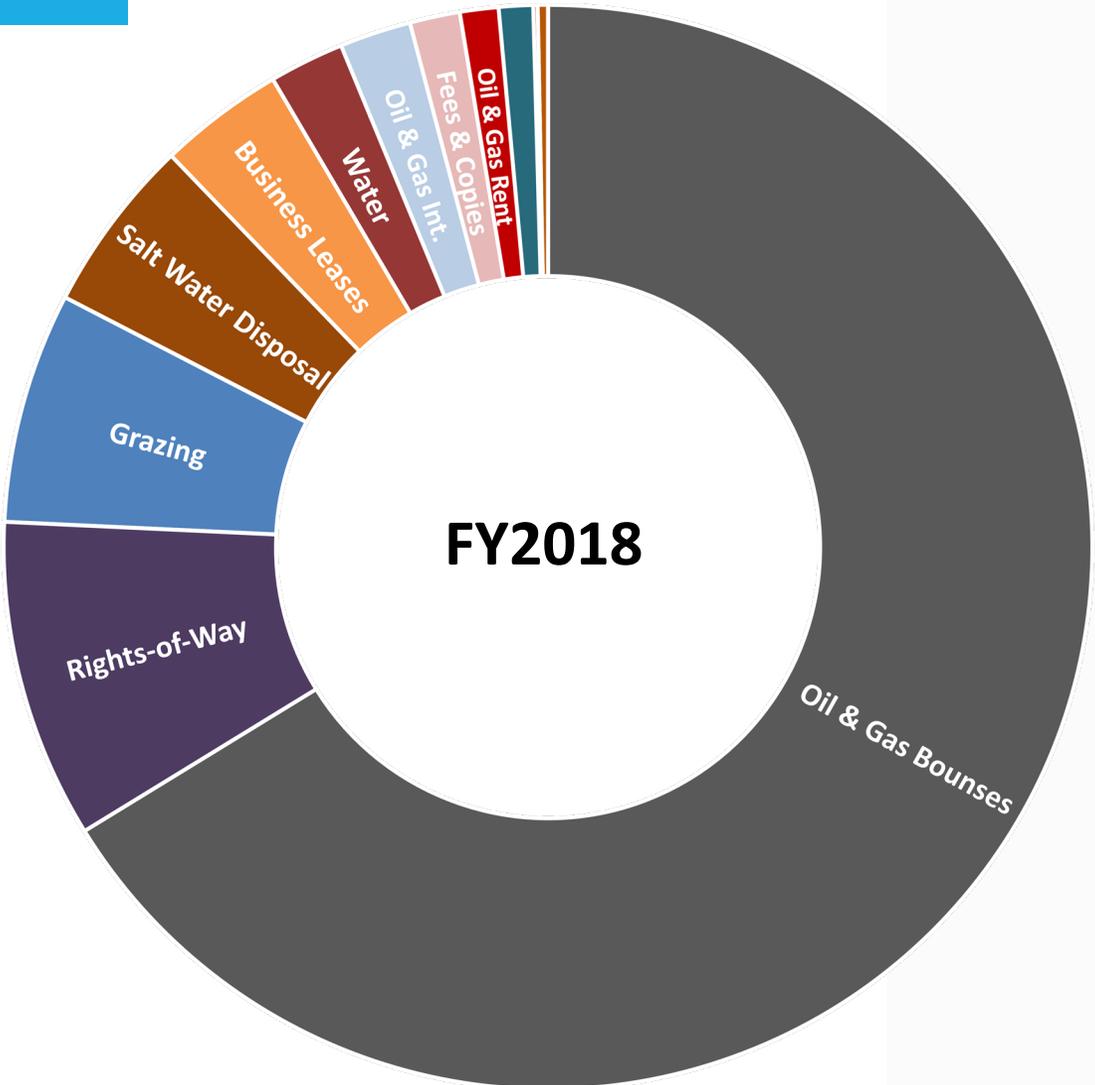
- Expand renewable energy ✓
- Actively pursue commercial development opportunities ✓
- Grow outdoor recreation ✓
- Monetize conservation activities ✓
- Tackle legacy fiscal risks and improve stewardship of oil and gas activities (bonding, remediation & reclamation) ✓
- Expand agency resources and capacity ✓
- Foster partnerships to leverage investment opportunities ✓
- Strategic planning ✓
- Increase oil and gas royalty rate (requires legislation) ⌚



**NETFLIX**

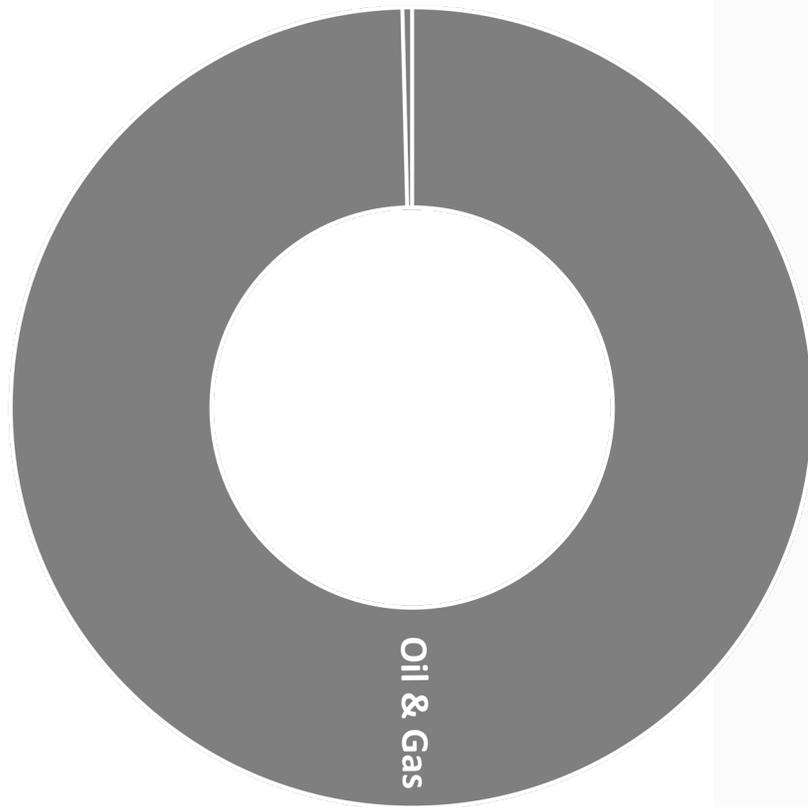


# Revenue Portfolio – Rentals

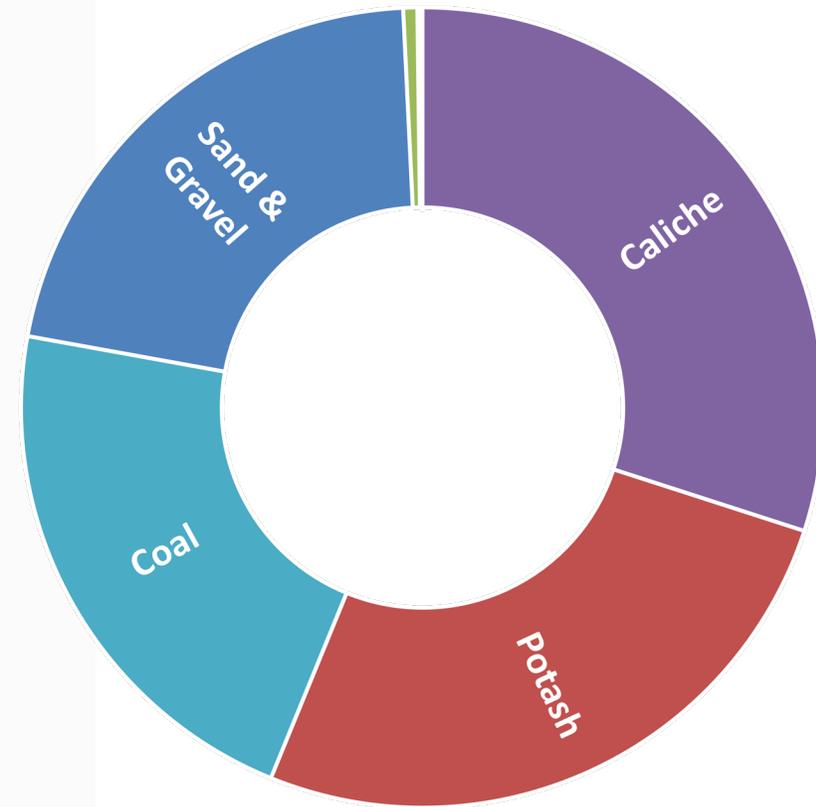


# FY22 Revenue Portfolio – Royalties

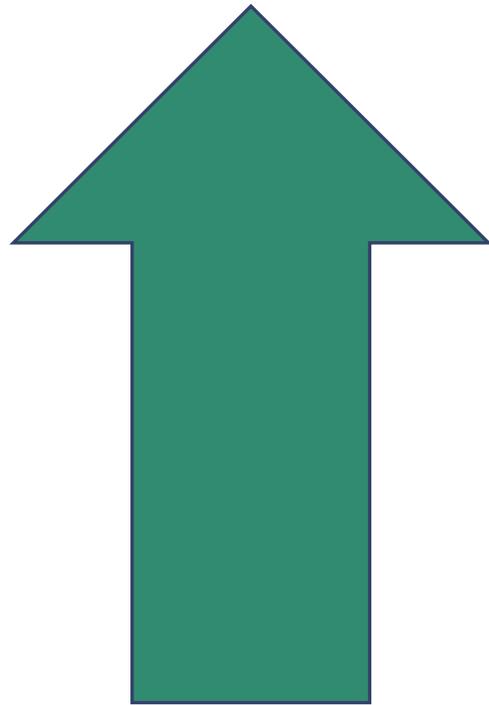
Total Royalties



Non-O&G Royalties



# Renewable Energy



**Annual Revenue**

**1,400%**

**# Active Leases**

**208%**

**Leased MW**

**249%**

(Jan. 2019 – Sept. 2022)

# Pattern Energy Example

- **Min. estimated lifetime earnings of over \$360 million** from existing Pattern Energy projects (direct lease revenue)
- **Western Spirit Wind**
  - Operational since 2021 (50+ MW)
  - 10,000 acres of trust land in Torrance, Lincoln counties
- **Sun Zia Wind**
  - In development (650+ MW)
  - 146,580 acres of trust land in Torrance, Lincoln, San Miguel counties
  - Overall project will be largest in Western hemisphere
- **Sun Zia Transmission Line**
  - ROW application on 443 acres of trust land



QUESTIONS?



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