

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/04/06

SPONSOR Balderas LAST UPDATED _____ HB 808

SHORT TITLE Mora, Rio Arriba and Taos Timber Harvesting SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$25.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals, and Natural Resources Department (EMNRD)

Responses Not Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 808 appropriates \$25 thousand from the general fund to the Economic Development Department to pay for the administrative costs of a timber harvesting and processing program in Mora, Rio Arriba, and Taos counties.

FISCAL IMPLICATIONS

The appropriation of \$25 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

EMNRD reports that their Forestry Division joined with the USDA, Forest Service to create the Southwest Sustainable Forests Partnership to encourage the development of new forest industries that utilize small diameter trees. This effort requires specialized knowledge in forestry and forest products and a regional approach to take advantage of large, interconnected markets. Federal grants have been provided to communities and businesses throughout the state to encourage small diameter industries. These efforts have concentrated on rural communities located near forests and have a historic forest industry workforce. Mora, Rio Arriba, and Taos counties have a large forestland base in need of treatment and entities in this area have received federal flow through grant funds, to forest industries, from EMNRD.

To be successful, businesses must create new, value added forest products and increase efficiency. Although it is unclear how these funds will be used, the Forestry Division will be available to provide technical assistance to the Economic Development Department to help implement the timber harvesting program if this bill passes.

ADMINISTRATIVE IMPLICATIONS

There would be minimal administrative impact on the Economic Development Department.

ALTERNATIVES

Given its experience in forestry management, the appropriation could be made to Forestry Division of EMNRD to support the Southwest Sustainable Forests Partnership

BE/nt