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FISCAL IMPACT REPORT

SPONSOR Harden ORIGINAL DATE 2-3-06
LAST UPDATED _____ HB _____
SHORT TITLE Wildfire Mitigation Program SB 581
ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
NFI	\$500.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 581 makes an appropriation to the Forestry Division for wildfire mitigation projects. Specifically, the legislation seeks to appropriate \$500,000 from the general fund to the Forestry Division of the Energy, Minerals and Natural Resources Department for expenditure in fiscal year 2007 for wildfire mitigation projects in northeastern New Mexico. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

The Department of Finance and Administration (DFA) notes that this legislation attempts to address the "perfect storm" of tall grasses that, as a result of last year's increased rainfall, serve as fuel for wildfires. Further, that the state's Fire Planning Task Force has identified over 200 communities in New Mexico that are in need of wildfire suppression options.

As background, EMNRD adds that that several communities in northeastern New Mexico are included in the New Mexico Fire Plan as communities that are at risk from wildland fire. The

Forestry Division currently provides technical support as well as state and federal grant funds to a variety of entities for fire protection and fuels reduction projects to improve public safety in this area. The Forestry Division also oversees the expenditure of state emergency funds for wild-fire suppression, often in northeast New Mexico.

EMNRD suggest that if this bill is successful, the appropriation would be used to conduct fire hazard mitigation projects including fuel reduction thinning projects and fuel breaks to protect communities. An example of a project that would be well positioned to receive support from this appropriation is the construction of a fuel break in the La Jara watershed. Capacity of local government to address wildfire hazard concerns could also be enhanced.

PERFORMANCE IMPLICATIONS

EMNRD advises that this bill will benefit the Forestry Division's efforts to reduce the fire danger in and around at risk communities. In addition, this appropriation would enhance and protect the health of forests and watersheds in the area. Conducting forest health and fire mitigation projects will ultimately reduce the risk and intensity of wildfires and make wildfire suppression less costly and safer to suppress.

ADMINISTRATIVE IMPLICATIONS

EMNRD further advises that the Forestry Division would generate contracts to implement the majority of this wildfire mitigation program. Therefore, administrative implications include an increased workload for Division and Department program managers, as well as legal, contract and fiscal staff.

OTHER SUBSTANTIVE ISSUES

EMNRD has expressed concern regarding the term of the proposed appropriation and questions whether the \$500,000 called for in this bill can be effectively expended in just one fiscal year. It is difficult to complete certain complex projects in one or two fiscal years. In addition to the actual implementation of the on the ground work, partnerships have to be developed, in some cases local capacity has to be built, and contracts and agreements must be negotiated and executed

BW/mt