

AN ACT

RELATING TO NATURAL RESOURCES; ENACTING THE FOREST AND WATERSHED RESTORATION ACT; PROVIDING FOR FOREST AND WATERSHED RESTORATION AND WILDLIFE HABITAT CONSERVATION; CREATING A FUND; ESTABLISHING A BOARD; PROVIDING CRITERIA FOR THE EVALUATION AND FUNDING OF PROJECTS.

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

**SECTION 1.** SHORT TITLE.--This act may be cited as the "Forest and Watershed Restoration Act".

**SECTION 2.** DEFINITIONS.--As used in the Forest and Watershed Restoration Act:

A. "board" means the forest and watershed advisory board;

B. "division" means the forestry division of the energy, minerals and natural resources department;

C. "project" means a large-scale forest and watershed restoration project to increase the adaptability and resilience to recurring drought and extreme weather events of the state's forests and watersheds; protect water sources; reduce the risk of wildfire, including plans for watershed conservation; restore burned areas; or thin forests; or a related economic or work force development project; and "project" also means a wildlife conservation or habitat improvement project; and

D. "sponsor" means a federal, state or local government agency, tribal entity, corporation or organization that applies for a project or is conducting a project in conjunction with the division.

**SECTION 3. FOREST AND WATERSHED ADVISORY BOARD**  
CREATED--MEMBERSHIP--APPOINTMENTS--TERMS--COMPENSATION.--

A. The "forest and watershed advisory board" is created, which is administratively attached to the energy, minerals and natural resources department. The board consists of the following members:

- (1) the New Mexico state forester;
- (2) the commissioner of public lands or the commissioner's designee;
- (3) the secretary of economic development or the secretary's designee;
- (4) the secretary of environment or the secretary's designee;
- (5) the director of the department of game and fish or the director's designee;
- (6) the director of the interstate stream commission or the director's designee;
- (7) two nonvoting advisory members:
  - (a) one of whom is a representative from the United States forest service; and
  - (b) one of whom is a representative

from the federal bureau of land management; and

(8) three public members appointed by the governor from a list of nominees submitted to the governor jointly by the president pro tempore of the senate and the speaker of the house of representatives:

(a) one of whom shall be a representative of the forest products industry;

(b) one of whom shall be a member of the soil and water conservation commission or the commission's designee; and

(c) one of whom is a representative from a conservation organization with a focus on ecological restoration.

B. Public members of the board shall serve until their successors have been appointed.

C. A majority of the members of the board constitutes a quorum for transaction of business. The board shall elect a chair from among its members.

D. Members of the board shall be eligible for compensation as provided in the Per Diem and Mileage Act and shall receive no other compensation, perquisite or allowance.

**SECTION 4. BOARD--POWERS AND DUTIES.--**

A. The board shall:

(1) recommend guidelines, protocols and best management practices for projects;

(2) foster partnerships and cooperation among federal, state and county agencies, tribal entities, political subdivisions of the state, soil and water conservation districts, the forest products industry and other public or private organizations dedicated to forest and watershed conservation and restoration programs or projects or wildlife conservation or habitat improvement programs or projects; and

(3) evaluate and recommend projects for funding.

B. The division may:

(1) seek and accept all public and private funds and gifts, devises, grants and donations from others to carry out the provisions of the Forest and Watershed Restoration Act; and

(2) beginning July 1, 2015, provide partial or full funding for approved projects and facilitate and coordinate funding from multiple sources for projects, when appropriate.

**SECTION 5. FOREST AND WATERSHED RESTORATION FUND**  
CREATED--ADMINISTRATION.--The "forest and watershed restoration fund" is created in the state treasury. The fund consists of appropriations, distributions, gifts, grants, donations, income from investment of the fund and any other money credited to the fund. The fund shall be administered by

the energy, minerals and natural resources department, and money in the fund is subject to appropriation by the legislature to the division to administer and fund projects approved by the division pursuant to the Forest and Watershed Restoration Act. Expenditures from the fund shall be by warrants of the secretary of finance and administration upon vouchers signed by the state forester. Money in the fund shall not revert to the general fund.

**SECTION 6.** USE OF FOREST AND WATERSHED RESTORATION FUND--PROJECT EVALUATION AND PRIORITIZATION.--

A. Money in the forest and watershed restoration fund may be used to administer and carry out the purposes of the Forest and Watershed Restoration Act and to fund projects authorized by the division for:

(1) on-the-ground restoration treatments, in an amount equal to not less than seventy percent of expenditures from the fund in any one year;

(2) project planning; provided that not more than fifty percent of the costs of a project may be expended on planning for that project;

(3) economic development programs to advance the use of small-diameter trees and wood biomass removed for hazardous fuel reduction and forest and watershed restoration; and

(4) work force development for wood

utilization projects.

B. A project is eligible for funding if the project:

(1) is part of a current state forest and watershed health plan or forest action plan, a community wildfire protection plan, other comprehensive forest and watershed treatment plan or wildlife conservation or habitat improvement plan approved by the board;

(2) incorporates actions recommended by current plans or, where new plans are developed, seeks to integrate forest, fire and water management with community and economic development plans;

(3) will protect watersheds that are the source of drinking water;

(4) targets an area at high risk of catastrophic wildfire; or

(5) has obtained all requisite state and federal permits and authorizations necessary to initiate the project, if the project is other than a planning project.

C. A project that is eligible for funding in accordance with Subsection B of this section shall be given priority for funding by the division if the project:

(1) has matching contributions from federal, state, local, tribal or private sources and, if available, support from other public or private water, forest, fire,

wildlife habitat or economic development programs;

(2) is in an area:

(a) with a wood supply that can be used as biomass for energy production;

(b) where small-diameter trees may be put to commercial use; or

(c) where traditional forest products may be produced;

(3) is clustered around priority areas that can supply a useful amount of wood products for industry; or

(4) creates incentives to increase investment by federal, state, local, tribal or private entities, including investment by downstream water users to manage forested headwaters and water sources.

**SECTION 7. APPLICATION FOR PROJECT APPROVAL--**  
CONSIDERATIONS FOR APPROVAL.--

A. Beginning July 1, 2015, sponsors may apply to the division for project approval.

B. A sponsor's application shall include:

(1) a comprehensive work plan;

(2) a complete project cost estimate;

(3) how the plan meets the division's best management practices and project protocols and standards;

(4) funding sources for the project;

(5) other partners and cooperating entities

