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AN ACT

RELATING TO NATURAL RESOURCES; ENACTING THE FOREST AND
WATERSHED RESTORATION ACT; ESTABLISHING A BOARD; PROVIDING
POWERS AND DUTIES; PROVIDING CRITERIA FOR THE EVALUATION AND
FUNDING OF PROJECTS; MAKING A DISTRIBUTION FROM THE NEW
MEXICO IRRIGATION WORKS CONSTRUCTION FUND AND THE IMPROVEMENT
OF RIO GRANDE INCOME FUND.

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

SECTION 1. SHORT TITLE.--Sections 1 through 6 of 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 on any lands in the state that
increases the adaptability and resilience to recurring
drought and extreme weather events of the state's forests and
watersheds; protects water sources; reduces the risk of
wildfire, including plans for watershed conservation;
restores burned areas or thins forests; and includes a

1 related economic or workforce development project or a
2 wildlife conservation or habitat improvement project; and

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

7 SECTION 3. FOREST AND WATERSHED ADVISORY BOARD

8 CREATED--MEMBERSHIP--APPOINTMENTS--TERMS--COMPENSATION.--

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

13 (1) the New Mexico state forester;

14 (2) the state engineer or the state
15 engineer's designee;

16 (3) the commissioner of public lands or the
17 commissioner's designee;

18 (4) the secretary of economic development or
19 the secretary's designee;

20 (5) the secretary of environment or the
21 secretary's designee;

22 (6) the director of the department of game
23 and fish or the director's designee;

24 (7) the state fire marshal or the fire
25 marshal's designee; and

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

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

7 (b) one of whom shall be a
8 representative of local government interests, such as a
9 member of New Mexico counties or the soil and water
10 conservation commission; and

11 (c) one of whom shall be a
12 representative of an academic or nonprofit conservation
13 organization with a focus on ecological restoration science.

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

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

19 D. Members of the board are entitled to receive
20 per diem and mileage pursuant to the Per Diem and Mileage Act
21 and shall receive no other compensation, perquisite or
22 allowance.

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

24 A. The board shall:

25 (1) recommend guidelines, protocols and best

1 management practices for projects;

2 (2) foster partnerships and cooperation
3 among federal, state and county agencies, tribal entities,
4 political subdivisions of the state, soil and water
5 conservation districts, the forest products industry and
6 other public or private organizations dedicated to forest and
7 watershed conservation and restoration programs or projects
8 or wildlife conservation or habitat improvement programs or
9 projects for the purpose of co-funding or leveraging funding
10 for priority projects; and

11 (3) evaluate and recommend projects to the
12 division for funding.

13 B. The division may:

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

18 (2) beginning July 1, 2019, provide partial
19 or full funding for approved projects and facilitate and
20 coordinate funding from multiple sources for projects, when
21 appropriate; and

22 (3) adopt rules to carry out the purposes of
23 the Forest and Watershed Restoration Act.

24 **SECTION 5. USE OF FOREST AND WATERSHED RESTORATION**

25 **FUND--PROJECT EVALUATION AND PRIORITIZATION.--**

1 A. Money in the forest land protection revolving
2 fund may be used to administer and carry out the purposes of
3 the Forest and Watershed Restoration Act and to fund projects
4 authorized by the division on any lands in the state for:

5 (1) on-the-ground restoration treatments;

6 (2) project planning;

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

11 (4) workforce development for wood
12 utilization projects.

13 B. A project is eligible for funding if the
14 project is for a public benefit and:

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

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

24 (3) protects watersheds that are the
25 source of drinking or irrigation water;

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

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

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

9 (1) leverages federal, state, local, tribal
10 or private sources and, if available, support from other
11 public or private water, forest, fire, wildlife habitat or
12 economic development programs;

13 (2) is in an area:

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

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

18 (c) where traditional forest products
19 may be produced;

20 (3) is clustered around priority areas that
21 are able to supply a useful amount of wood products for
22 industry; or

23 (4) creates incentives to increase
24 investment by federal, state, local, tribal or private
25 entities, including investment by downstream water users to

1 manage forested headwaters and water sources.

2 D. Beginning July 1, 2019, sponsors may apply to
3 the division for project funding.

4 SECTION 6. REPORT BY DIVISION.--At least forty-five
5 days prior to each legislative session, the division shall
6 submit a report concerning its activities, the projects
7 implemented and any recommended legislation to the governor
8 and the legislature.

9 SECTION 7. Section 68-2-28 NMSA 1978 (being Laws 1987,
10 Chapter 143, Section 6, as amended) is amended to read:

11 "68-2-28. FOREST LAND PROTECTION REVOLVING FUND
12 CREATED.--

13 A. There is created in the state treasury a
14 revolving fund to be known as the "forest land protection
15 revolving fund". The forest land protection revolving fund
16 shall consist of all receipts as provided by Section 68-2-26
17 NMSA 1978, appropriations, gifts, grants, donations and
18 revenue received by the forestry division of the energy,
19 minerals and natural resources department from the federal
20 government or other state agencies and other sources for
21 conducting forest and watershed management projects. Subject
22 to legislative appropriation, expenditures may be made from
23 the forest land protection revolving fund upon vouchers
24 signed by the state forester and warrants issued by the
25 secretary of finance and administration:

1 (1) for the administration and enforcement
2 of the Forest Conservation Act;

3 (2) to administer forest and watershed
4 management projects, including acquisition of tools and
5 equipment and expenses incurred by the forestry division in
6 planning and supervising forest and watershed management
7 projects; and

8 (3) to fund approved projects pursuant to
9 the Forest and Watershed Restoration Act.

10 B. Money in the forest land protection revolving
11 fund shall not revert to the general fund."

12 SECTION 8. Section 72-14-6 NMSA 1978 (being Laws 1935,
13 Chapter 24, Section 3, as amended by Laws 1997, Chapter 241,
14 Section 3 and also by Laws 1997, Chapter 246, Section 3) is
15 amended to read:

16 "72-14-6. APPROPRIATION--HOW DISBURSEMENTS ARE TO BE
17 MADE.--

18 A. Annually, one million dollars (\$1,000,000)
19 shall be distributed from the improvement of Rio Grande
20 income fund to the forest land protection revolving fund.

21 B. There is appropriated annually all money
22 remaining in the improvement of the Rio Grande income fund
23 after the distribution pursuant to Subsection A of this
24 section or as much thereof as may be necessary for the
25 purpose of complying with Sections 72-14-4 through 72-14-6

1 and 72-14-9 through 72-14-28 NMSA 1978 and to fulfill and
2 carry out their purposes and intentions. The appropriations
3 authorized shall be paid, from time to time as may be
4 necessary, upon vouchers approved by the interstate stream
5 commission."

6 SECTION 9. Section 72-14-23 NMSA 1978 (being Laws 1955,
7 Chapter 266, Section 15, as amended) is amended to read:

8 "72-14-23. NEW MEXICO IRRIGATION WORKS CONSTRUCTION
9 FUND CREATED--LIMITATION OF LIABILITY UNDER ACT--REPARATION
10 OF DAMAGES CAUSED IN CARRYING OUT POWERS GRANTED--AUTHORITY
11 OF COMMISSION TO RECEIVE CONTRIBUTIONS.--

12 A. There is created a fund to be known as the "New
13 Mexico irrigation works construction fund", which shall
14 consist of the income creditable to the permanent reservoirs
15 for irrigation purposes income fund not otherwise pledged
16 under Section 72-14-19 NMSA 1978 and all other money that may
17 be appropriated by the legislature to the construction fund.
18 The fund shall be a continuing fund and shall not revert to
19 the general fund or to any other fund.

20 B. Annually, one million dollars (\$1,000,000)
21 shall be distributed from the New Mexico irrigation works
22 construction fund to the forest land protection revolving
23 fund.

24 C. The cost of investigations and construction as
25 authorized in Section 72-14-11 NMSA 1978 shall be paid from

1 the New Mexico irrigation works construction fund and also
2 the cost of all preliminary work on any project, and all
3 expenses directly chargeable to such project, prior to the
4 receipt of the proceeds of bonds, shall be paid from the
5 construction fund. The amount of all such expenses on
6 account of any project and such part of the general
7 administrative expenses of the commission and the cost of
8 investigation as shall be properly chargeable, in the opinion
9 of the commission, to such project shall be reimbursed to the
10 construction fund upon the receipt of the proceeds of bonds
11 issued for such project. No liability or obligation shall be
12 incurred under the provisions of Sections 72-14-9 through
13 72-14-28 NMSA 1978 beyond the extent to which the money has
14 been provided under the authority of those sections. All
15 public and private property damaged or destroyed in carrying
16 out the powers granted under those sections shall be restored
17 or repaired and placed in its original condition, as nearly
18 as practicable, or adequate compensation made therefor out of
19 funds provided by those sections.

20 D. The commission shall also have authority to pay
21 the cost of such investigations and construction on any
22 project from the New Mexico irrigation works construction fund
23 when contracts in form satisfactory to it have been entered
24 into whereby title to works have been mortgaged, deeded,
25 assigned or transferred by the owner to the commission, and a

1 program for reimbursement of all amounts expended, together
2 with operation and maintenance charges, have been agreed upon;
3 provided that no construction contract shall be entered into
4 without the prior approval of the state board of finance. The
5 commission shall also have authority to receive and accept
6 appropriations and contributions from any source of either
7 money or property or other things of value to be held, used
8 and applied for the purposes provided in Sections 72-14-9
9 through 72-14-28 NMSA 1978." _____

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