

<b>LFC Requester:</b>	
-----------------------	--

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date** 1/18/2024  
**Bill No:** Senate Bill 9

<b>Sponsor:</b>	<u>Senator Peter Wirth, Senator Steve Neville</u>	<b>Agency Name and Code Number:</b>	<u>Economic Development Department (419)</u>
<b>Short Title:</b>	<u>Transfer to the Legacy Permanent Fund</u>	<b>Person Writing Phone:</b>	<u>Karina Armijo 505-690-7897</u>
		<b>Email</b>	<u>karina.armijo@edd.nm.gov</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$300,000.00	Nonrecurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

Senate Bill 9 (SB9) transfers \$300 million from the general fund to the Conservation Legacy Permanent Fund, a non-reverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations, and income from investment of the fund. The money in the fund is managed and invested by the State Investment Officer, and its investments will have the same risk and return profile as land grant permanent funds are invested pursuant to Chapter 6, Article 8 NMSA 1978. Earnings from investment of the fund shall be credited to the fund.

The Conservation Legacy Permanent Fund is directed to distribute income more than \$5 million to the Land of Enchantment Legacy Fund on July 1st of each year. It stipulates that these distributions will only take place if the balance of the Conservation Legacy Permanent Fund exceeds \$150 million.

The Land of Enchantment Legacy Fund is managed by the Department of Finance and Administration (DFA). On July 1st, 2024, and each year thereafter, DFA is instructed to distribute the greater of \$12.5 million or 25 percent of the total balance of the fund as follows:

1. 22.5 percent to the Energy, Minerals and Natural Resources Department, split equally to support programs and projects under:
  - a. the Forest Conservation Act, the Forest and Watershed Restoration Act, and the Prescribed Burning Act; and
  - b. the National Heritage Conservation Act;
2. 22.5 percent to New Mexico Department of Agriculture to support programs and projects under the Noxious Weed Management Act, the Healthy Soil Act, and the Soil and Water Conservation District Act;
3. 10 percent to the Environment Department for the River Stewardship Program;
4. 15 percent to Outdoor Recreation Division at the Economic Development Department, with 25 percent of that amount for the outdoor equity grant program and 75 percent for special projects and outdoor recreation infrastructure;
5. 8 percent to the Department of Cultural Affairs to support projects and programs under the Cultural Properties Protection Act; and
6. 22 percent to the Department of Game and Fish to support projects and programs for the propagation of game and fish.

If the total balance of the fund is less than \$12.5 million, the fund will distribute its total balance according to the apportionments specified above.

## **FISCAL IMPLICATIONS**

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

## **SIGNIFICANT ISSUES**

None.

## **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

Because the distributions of the Conservation Legacy Permanent Fund are to existing programs, the statutory authority, and associated rules to review and approve projects for those programs already exist, so there is no additional burden on the agency in terms of needing to create additional administrative structures. The added work would be in terms of additional projects that could be processed and supported.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

None.

### **OTHER SUBSTANTIVE ISSUES**

None.

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**