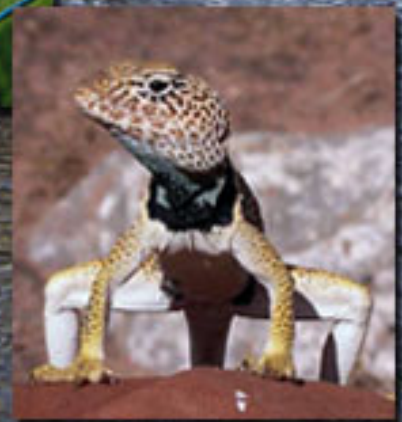


Funding Conservation for New Mexico

Providing for Future Generations



**Department of Game and Fish
and the
Energy, Minerals and Natural Resources Department**



December 31, 2004

Dear Senators and Representatives of the New Mexico State Legislature:

The time is ripe for New Mexico to establish a substantial and comprehensive, dedicated revenue source for funding conservation programs. To best serve the citizens of our state, we should not continue to rely on variable annual appropriations from the general fund. Rather, a sustained investment in conservation as a matter of public policy will result in assuring continued quality of life and economic benefits for New Mexicans. New Mexico must take this opportunity to conserve its land and natural resources for the future.

Throughout the country, communities are realizing the importance of land and wildlife conservation to their economic well-being and quality of life. In 2002, conservation measures totaling \$3.25 billion were passed by 121 communities in 24 states. Since 1996, there have been 1,065 measures passed throughout the United States, raising \$27 billion for parks, hiking, biking and walking trails, forest and wetlands restoration, conservation education and acquisition of natural areas and wildlife habitats. New Mexico needs to be among its sister states that have made conservation a priority.

Outdoor recreation is a multi-billion dollar industry in New Mexico. More than \$1 billion is spent annually on wildlife-associated recreation¹; an additional \$1 billion is spent on non-wildlife related outdoor activities such as hiking, camping, and skiing. By creating conservation funding mechanisms, New Mexico could profit from *more than \$20 million annually in federal and private funding* in support of innovative conservation programs – something we are currently unable to do because we lack the sustained state funding sources required to match these funds.

House Joint Memorial 37 of the 2004 legislative session directed the Department of Game and Fish and the Energy, Minerals and Natural Resources Department to “conduct a study to investigate sustainable alternative funding measures to protect New Mexico’s unique landscapes, open spaces, recreation areas and wildlife habitats.” HJM 37 *passed both houses unanimously*. This report is the study called for by HJM 37. It may also be found online at www.emnrd.state.nm.us.

Thank you for your consideration of conservation funding for New Mexico.

Dr. Bruce Thompson
Director
Department of Game and Fish

Joanna Prukop
Cabinet Secretary
Energy, Minerals and Natural Resources
Department

¹ National Survey of Fishing, Hunting and Wildlife Associated Recreation, US Fish & Wildlife Service, 2003

Conservation Funding Report
House Joint Memorial 37
46th Legislature, 2nd Session

Prepared by the
Department of Game & Fish
and the
Energy, Minerals and Natural Resources Department.

December 2004

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I. Executive Summary

House Joint Memorial 37, passed unanimously by both houses of the 2004 legislative session, directed the Department of Game and Fish and the Energy, Minerals and Natural Resources Department to “investigate sustainable alternative funding measures to protect New Mexico’s unique landscapes, open spaces, recreation areas and wildlife habitats.” This report is the study called for by HJM 37.

This study identified and analyzed gaps in the state’s current conservation programs and produced a set of policies and goals. In addition, we determined current and future funding needs, analyzed various sustainable conservation funding measures, and identified options regarding sustainable conservation funding sources.

New Mexicans understand that water and conservation issues are inseparable and they are willing to pay for enhanced conservation funding. Significant and multi-faceted benefits to our quality of life and economic well-being flow from adequately funded conservation priorities. Unfortunately, we lose significant federal funds for conservation programs because we lack sustained state funding required for match.

The State conservation policies should be to protect wildlife and their habitat; to enhance and sustain outdoor recreation opportunities; to protect and restore watersheds and forests; and to provide good stewardship of the outdoors.

Land and wildlife conservation needs for New Mexico include habitat conservation, species conservation, forest and watershed restoration, agricultural lands and open space restoration, and enhancement of outdoor recreation opportunities. *Existing programs entail about \$10.2 million in current funding. However, conservation needs represent \$37.5 million to \$48.4 million in annual funding needs over multiple years.*

New Mexico needs to establish a comprehensive, dedicated broad-based revenue source for land and wildlife conservation programs. Some of the funding opportunities include voter approved funding (general obligation bonds, constitutional amendments to earmark funds, voter referenda directing general fund spending, and use of severance tax proceeds), and Legislature or Governor approved funding.

The Legislature could also decide that conservation priorities merit some reallocation of existing funding sources, or elimination of certain tax credits, with the resulting gain to the general fund dedicated in whole or in part to a special fund for conservation.

We commend to you those funding sources, singly or in combination, that will generate the most revenues, are the most broadly based, and are not voluntary.

II. The Case for Conservation

There is a reason that New Mexico is known as “*The Land of Enchantment*.” From our alpine mountain peaks in the north to our vibrant lowland deserts in the south, New Mexico is a place of captivating beauty. Conservation of New Mexico’s greatest asset – our enchanting natural areas – is the foundation for economic benefit and quality of life.

The “conservation” of this natural heritage both includes and transcends the protection of New Mexico’s unique and striking natural landscapes, recreation areas, and wildlife habitats. Conservation and enhancement of New Mexico’s water supplies and water quality are fundamental to achieving all other conservation benefits.

Recent research has shown that citizens understand that water and conservation issues are inseparable and that the public is willing to pay for enhanced conservation funding.

While consideration of conservation funding has been under review, two related efforts of significance have been proceeding. First, “*The New Mexico Forest and Watershed Health Plan, An Integrated Collaborative Approach to Ecological Restoration*” was prepared by The New Mexico Forestry Division. Second, an inter-agency work group created under House Bill 2 by the 2004 Legislature is completing the first-ever state strategic plan for *Non-native Phreatophyte and Watershed Management*.

These efforts recognize that **New Mexico must create programs now to protect its water and natural resources** that operate on a “landscape level.” Consequently, in identifying conservation priorities for sustained funding, the following key assumption was made:

The significant and multi-faceted benefits to our quality of life and economic well-being flow from adequately funded conservation priorities that protect land, water, wildlife and habitat. They are also dependent upon adequately funding the implementation of these emerging state plans for forest, watershed and invasive plant management at the level of entire ecosystems.

II. New Mexicans Support Funding Conservation

Results from a public opinion survey conducted in January 2004 by The Nature Conservancy show that **61% of New Mexicans believe that a permanent, stable source of public funding should be set aside “to protect unique natural lands, wildlife species and drinking water sources” in the state.**² Another earlier poll conducted in April 2002 by Animal Protection of New Mexico and the Trust for Public Land shows that **84% of New Mexicans strongly favor “preserving land that protects water quality in aquifers, rivers and creeks.”** The same poll also shows that

² New Mexico Conservation Issues Survey; Fairbank, Maslin, Maullin & Associates, January 2004

an overwhelming **92% of our citizens support “preserving farming and ranching as a way of life” in New Mexico.**³

The conservation funding proposed in this report addresses these concerns of our citizens and paves the way for future New Mexicans to enjoy, preserve and protect our valued natural resources.

III. A Vision for Conservation in New Mexico

When existing conservation efforts and needs were analyzed, it became apparent that New Mexico lacked a clear policy structure for sustainable conservation funding. Thus, policies and actions and goals were established to better inform the consideration of funding conservation.

The State of New Mexico should have four primary conservation policies:

- To protect wildlife and their habitat;
- To enhance and sustain outdoor recreation opportunities;
- To protect and restore watersheds and forests; and
- To provide good stewardship of the outdoors.

Within these conservation policies are these goals:

- To enhance and protect the state’s wildlife heritage;
- To enhance and protect public access to nature;
- To increase and protect our water resources;
- To guarantee that our treasured state parks system will flourish and prosper;
- To protect our communities from catastrophic forest fires;
- To stimulate job creation through outdoor recreation and forest-based industries;
- To enable landowners to preserve their lands for future generations; and
- To preserve our unique natural lands.

To accomplish these objectives, the state must take the following actions:

- Provide sustainable, recurring broad-based capital and operational funding to ensure that our natural heritage and quality of life are protected;
- Continue to stimulate outdoor-based economic investment in New Mexico;
- Implement a strategy of coordinating programs;
- Collaborate with private, federal and local partners; and
- Pioneer the adoption of new models that will position New Mexico as a recognized national leader in natural resources management.

Because all citizens and visitors benefit from conservation, the funding base for dedicated funding sources should be as broad as possible and the sources of funding should generate sufficient and sustained revenues to adequately fund the conservation actions and goals (see Section IV below).

³ Survey Research Report; Decision Research Inc., April 2002

IV. Conservation Funding: Proposed Actions and Options

This conservation funding study accomplished the following:

1. Identified and analyzed gaps in the state's current conservation programs and produced a desired set of goals and actions;
2. Determined current and future funding needs for these goals and actions;
3. Analyzed various sustainable alternative conservation funding measures; and,
4. Identified options for the Legislature regarding sustainable conservation funding sources.

The following specific Actions and Goals should be the state's top priorities for conservation funding.

Habitat Conservation

- *Conservation of Wildlife Habitat* – To protect animal and habitat diversity;
- *Land Conservation Incentives Act* – To share with private landowners the advantageous incentives available to them so they are encouraged to preserve some of their land and natural resources for future generations by donating them through voluntary conservation agreements provided through the Land Conservation Incentives Act;
- *Implementation of the Natural Lands Protection Act* – To protect unique and ecologically significant lands through a public-private partnership between the state and nonprofit corporations as provided for in the Natural Lands Protection Act;

Species Conservation

- *Non-game Conservation and Biological Information* – To promote restoration, maintenance and improvement of the state's animal diversity through biological research, detailed mapping, consistent databases, evaluating habitat needs and informing the public;
- *Implementation of the Endangered Plant Species Act* – To conduct biological and ecological research on plant species in the state and to determine conservation measures.

Forest and Watershed Restoration:

- *Restoration of Watersheds* – To reverse the degradation of habitat, water quality and biodiversity in stream corridors; to reduce the frequency and intensity of wildfires; to prevent flooding from stream channel narrowing from dense stands of invasive plant species; to improve access to surface water for livestock and recreational uses (boating, fishing, hunting, bird watching, etc.); to determine scientifically whether control of non-native phreatophytes (e.g., salt cedar) will result in salvaged water for beneficial uses – all in accordance with a state strategic plan and its approved templates and protocols; to promote conservation treatments through a collaborative implementation process involving state, federal, municipal, county and tribal entities and private landowners;
- *Implementation of the Forest and Watershed Health Plan* – To implement the statewide Forest and Watershed Health Plan through the creation of an Office of Forest and Watershed Health; this office would implement both the FWHP and

the Non-native Phreatophyte and Watershed Management Strategic Plan by identifying and structuring opportunities to coordinate existing programs, seeking ways to leverage local, state and federal funds, while focusing on the ecological restoration of New Mexico's forests and river basins, protecting communities at risk from fire, and supporting the creation of local jobs through restoration activities.

- *Implementation of the Forest Legacy Plan* – To plan for our state's growth and protect forest resources while providing for continued sustainable harvesting and management of forest lands.

Agricultural Lands and Open Space

- *Natural Areas Acquisition Partnerships* – To help local governments by providing matching funds to establish parks and hiking, biking and walking trails, and to acquire unique and ecologically significant lands [new program area]; and
- *Preservation of Agricultural Lands* – To provide incentives for private landowners to conserve their lands while maintaining them as working farms and ranches [new program area].

Outdoor Recreation Opportunity

- *Enhancement of Outdoor Recreation Opportunities* – In state parks and other public and quasi-public lands: to introduce more New Mexicans to the wonders of our natural areas and improve upon these experiences; to stimulate economic development through improved outdoor recreational opportunities, many of which are in rural and/or economically depressed areas of the state;
- *Gaining Access into Nature (GAIN)* – To provide facilities and local cooperation for increased wildlife-associated recreation opportunities on state wildlife areas and other lands so New Mexicans can become more familiar with their state and spend more time enjoying its natural areas, thereby stimulating added use of local services and enhanced local economy.
- *Natural Resources Interpretation* – To provide more resources for education and public outreach to generations of New Mexicans about our land and the need for resource conservation.

These Actions and Goals were selected for the following reasons:

- Virtually all of them can be immediately implemented, because programs and implementation processes are already established within existing agencies.
- Most of them are already structured by statute and/or regulations to provide for planning, priority setting, and fiscal accountability.
- Any new initiatives requiring additional legislation can include necessary planning and accountability mechanisms in that legislation.
- These Actions and Goals will benefit all regions of New Mexico and diverse constituencies, including rural and urban areas, sportsmen, other outdoor enthusiasts, private land owners, cities and counties, agricultural communities, and the conservation/environmental communities.

Resource Diversity and Conservation Conditions

New Mexico animal and plant resources are significant in their composition as well as their ecological and geographic diversity. But these resources face constant challenges. As is well known in our relatively arid environment of the Southwest, drought conditions are routine and widespread (see Map 1: Watershed Conditions: Drought Severity). And, many of our natural land cover types that provide important wildlife habitat are subject to substantial fire risk without conservation treatment (see Map 2: Watershed Conditions, Fire Risk Areas).

In parts of the state, natural interactions of animals and plants change habitat characteristics and the land features that many people seek for enjoyment and/or livelihood (see Map 3: Watershed Conditions, Insect Damage Areas). Despite the natural patterns and processes of animals, plants, and their interactions being complex and challenging to human interests, there are also other human-influenced conditions, such as invasive plants, that further complicate our natural world (see Map 4: Watershed Conditions, Exotic Invasive Plant Problem Areas). All of these factors and features add conservation challenges to conditions facing New Mexico.

Our socio-economic composition of various agricultural, business, and industry endeavors – overlain on private, state, federal, tribal, and other land stewardship – yield conservation challenges and opportunities in all corners and climes of New Mexico.

Yet relatively small amounts of New Mexico are dedicated to conservation of the state's natural heritage. For example, wildlife areas in New Mexico are sparse, small, and scattered in relation to the land operations statewide (see Map 5: New Mexico Department of Game & Fish Wildlife Area Locations). That map, when compared to the previously referenced maps, depicts the array of animal and vegetation resources, environmental influences, and land management operations that represent our conservation challenges.

Such a comparison also can identify locations where timely and cost effective conservation measures can be planned and conducted in reasonable ecological, social, and economic context. Our resources are significant and our conservation needs are widespread, thus indicating the importance of a broad spectrum and substantial conservation strategy that can only be implemented with adequate financial resources among numerous partners.

The following table shows funding levels in fiscal year 2005 for the Actions and Goals that are the focus of this study. Current funding levels are constrained or non-existent. Those items that show \$0 are receiving no funding or they represent proposed programs. The funding levels shown for other Actions and Goals reflect "best estimates" about the extent to which these particular programs can be identified within larger agency budget categories.

Table 1 – CURRENT CONSERVATION BUDGETS AMONG STATE PROGRAMS	
Habitat Conservation Wildlife Habitat, Natural Lands Protection Act Land Conservation Incentives	\$3,000,000
Species Conservation Acquire Biological Information Conserve nongame wildlife Conserve Endangered Plants	\$1,229,600
Forest and Watershed Restoration Implement Forest & Watershed Health Plan Implement Forest Legacy Plan	\$4,813,000
Agricultural Lands and Open Space Natural Areas Partnerships Agriculture Lands Preservation	\$0
Outdoor Recreation Opportunities Enhance State Parks Gaining Access Into Nature Natural Resources Interpretation	\$1,197,000
TOTAL	\$10,239,600

V. Outcomes of the Study

A. Survey of Alternative Funding Methods

New Mexico has never had a comprehensive, dedicated revenue source for land and wildlife conservation programs. With few exceptions, all funding for conservation programs is determined by the Legislature on a yearly basis with appropriations coming from the general fund. Each department is vying with other agencies in trying to obtain sufficient funding for their specific financial needs.

As valuable land and wildlife habitat was being altered by or lost to population and economic growth, other states have realized that a dedicated, reliable source of revenue was needed to maintain their quality of life – *and* to encourage economic development. Each of New Mexico's neighboring states (with the exception of Oklahoma) has had a dedicated revenue source for broad land conservation practices for a number of years.

The most striking example is probably **Colorado, which now raises approximately \$35 million annually from lottery sales – dedicated to land, water and wildlife protection. Arizona raises \$25 million annually from lottery and gaming proceeds dedicated for conservation projects. Even the voters in conservative Texas passed a statewide ballot measure in 2001 authorizing the issuance of \$101.5 million in general obligation bonds which goes toward expanding state parks and improving wildlife and fish management.**

Here in the West, eight states have statewide, publicly funded conservation programs. We examined all of these – as well as the conservation funding programs of Arkansas, Missouri, and Minnesota, which all have viable and successful conservation funding programs and are described in Table 2.

Table 2 – OTHER STATES' CONSERVATION FUNDING PROGRAMS			
State	Funding Sources	Amount Generated (Avg. Per Year)	Programs Funded
Arizona	State lottery	\$20 million	Game and fish and state parks
	Gaming revenues	\$5 million	Wildlife habitat acquisitions and management
	General fund (allocation based on voter referendum)	\$18 million	State trust land acquisitions

Table 2 – OTHER STATES’ CONSERVATION FUNDING PROGRAMS			
State	Funding Sources	Amount Generated (Avg. Per Year)	Programs Funded
Arkansas	1/8% sales tax (constitutional amendment approved by voters)	\$40 million	State parks, historic preservation, highway beautification, wildlife habitat acquisitions and management, endangered species programs
	Real estate transfer tax	\$12 million	Natural resource management, cultural heritage programs
California	General obligation bond (approved by voters)	\$2.4 billion	Land acquisitions for parks, hiking, biking and walking trails, natural areas, wildlife and fish habitats, agricultural protection
Colorado	State lottery	\$35 million	Parks, wildlife habitats, outdoor recreation, hiking, biking and walking trails and natural areas
	General fund	\$3 million	Endangered species
Minnesota	State lottery	\$23 million	Wildlife habitat acquisitions, fishing habitat improvements, river protection, wetland restoration, healthy forests, conservation education
Missouri	1/8% sales tax (constitutional amendment approved by voters)	\$75 million	Wildlife habitats, healthy forests, conservation education, land acquisitions
Nevada	General obligation bond (approved by voters)	\$200 million	State parks, wildlife habitat and management, river restoration, natural resource protection, natural areas acquisitions
Oregon	State lottery (constitutional amendment approved by voters)	\$8 million	Parks, natural areas acquisitions, habitat conservation, watershed restoration
Texas	General obligation bond (approved by voters)	\$12.5 million	Improve state parks, wildlife management areas, fish hatchery construction
Utah	General fund (energy savings from state buildings)	\$1.5 million	Purchase of conservation easements for natural areas preservation

Table 2 – OTHER STATES’ CONSERVATION FUNDING PROGRAMS			
State	Funding Sources	Amount Generated (Avg. Per Year)	Programs Funded
Washington	General fund	\$33 million	Outdoor recreation areas, wildlife habitat acquisitions and management
	Trust Land Transfer Fund	\$3-5 million	Natural and wildlife habitat area acquisitions, parks, outdoor recreation

What is striking is the variety of funding methods used by the different states to create dedicated funding streams for wide-ranging conservation purposes. These include voter approved funding (general obligation bonds, constitutional amendments to earmark sales taxes [would be gross receipts taxes in New Mexico], voter referenda directing general fund spending, and approvals of state lottery purposes), and Legislature or Governor approved funding (general fund, lottery, gaming compacts, real estate transfer tax).

B. New Mexico’s Challenges and Needs

While New Mexico has done a good job of creating a legal structure for programs to protect and conserve our natural resources, it is a novice in providing sustainable, publicly funded mechanisms for conservation. Other than licensed hunting and angling, there are only two programs at the state level where citizens may financially support wildlife conservation, and both are voluntary. One is the “Share with Wildlife” program, which allows for a check-off designation applicable to state income tax refunds. Proceeds are directed to the Department of Game and Fish to support non-game conservation. But the program only raises \$75,000 annually – barely enough to pay for itself, especially in recent years when the taxpayer is faced with many check-off choices for different causes and refunds may be less frequent. The other program, which began in 2004, is the purchase of wildlife license plates. This voluntary program is uncertain and may generate less than \$25,000 per year, if that.

Regarding land conservation there is only one program at the state level in which landowners may gain financially to conserve their land. Passed by the legislature in 2003, the “Land Conservation Incentives Act” allows landowners to donate land or a conservation easement to a public or nonprofit entity for a tax credit up to \$100,000. To date, no landowners have applied for the program.

At the local level, only five governments have publicly funded land or wildlife conservation programs in place: Bernalillo and Santa Fe counties; the cities of Albuquerque and Gallup; and the Village of Corrales. Voters in each jurisdiction have voted in recent years to tax themselves – either through general obligation bonds or mill

levy increases – to purchase land for conservation and recreation. (Article IX, Section 10 of the New Mexico State Constitution allows counties to bond for “acquiring necessary real estate for open space, open space trails, and related area facilities,” amended November 5, 1996).

As New Mexico plans for a publicly funded conservation program, it is important to provide sustained funding for both capital outlay (e.g., land acquisition, construction of facilities) and operations and maintenance needs. State law and federal standards governing bonded indebtedness prohibit the use of capital outlay funds for virtually anything but land acquisition purposes. Funding for the personnel and services indispensable to the successful day-to-day management and accountability of programs must come from other sources.

New Mexico has many needs for land and wildlife conservation and better recreational opportunities for its citizens. In order to meet these needs, the actions and goals for sustainable annual funding over a period of at least 8-10 years have been identified in Table 3.

Table 3 – ADDITIONAL NEEDED CONSERVATION FUNDING ALLOCATIONS			
CONSERVATION NEED	CAPITAL EXPENSES	OPERATING EXPENSES	TOTAL EXPENSES
Habitat Conservation Wildlife Habitat, Natural Lands Protection Act Land Conservation Incentives	\$7,400,000 to \$10,470,000	\$625,000 to \$890,000	\$8,025,000 to \$11,360,000
Species Conservation Acquire Biological Information Conserve Nongame Wildlife Conserve Endangered Plants	\$2,000,000 to \$3,000,000	\$1,200,000 to \$2,100,000	\$3,200,000 to \$5,100,000
Forest and Watershed Restoration Implement Forest & Watershed Health Plan Implement Forest Legacy Plan	\$1,975,000 \$2,470,000	\$8,150,000 to \$8,580,000	\$10,125,000 to \$11,050,000
Agricultural Lands and Open Space Natural Areas Partnerships Agriculture Lands Preservation	\$7,285,000 to \$9,100,000	\$655,000 to \$700,000	\$7,940,000 to \$9,800,000
Outdoor Recreation Opportunities Enhance State Parks Gaining Access Into Nature Natural Resources Interpretation	\$5,350,000 to \$7,400,000	\$2,932,000 to \$3,720,000	\$8,282,000 to \$11,120,000
TOTAL	\$24,010,000 to \$32,440,000	\$13,562,000 to \$15,990,000	\$37,572,000 to \$48,430,000

Chart 1
Estimated Annual Capital Needs

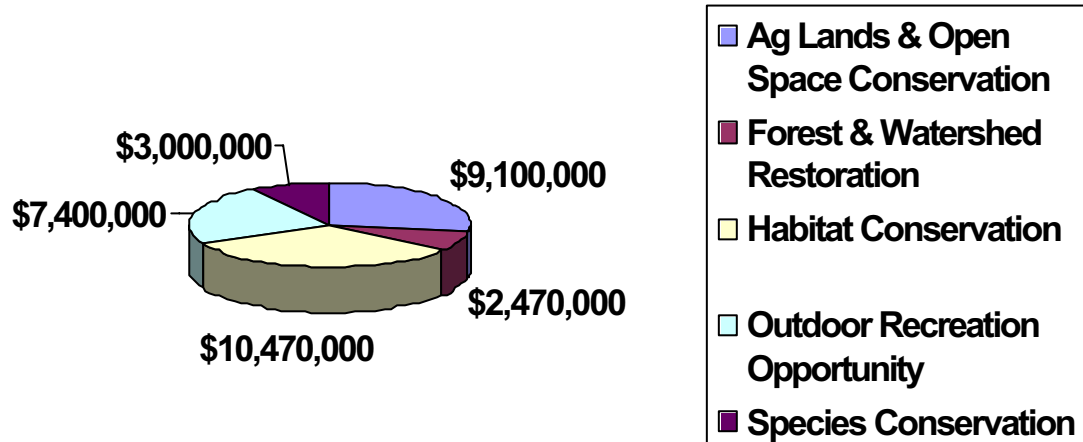


Chart 2
Estimated Total Annual Needs

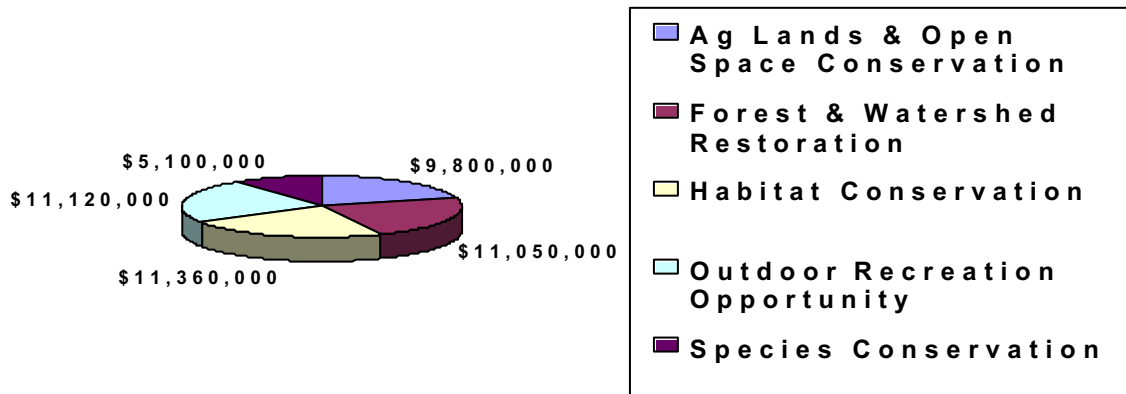


Chart 3

Estimated Annual Recurring Needs

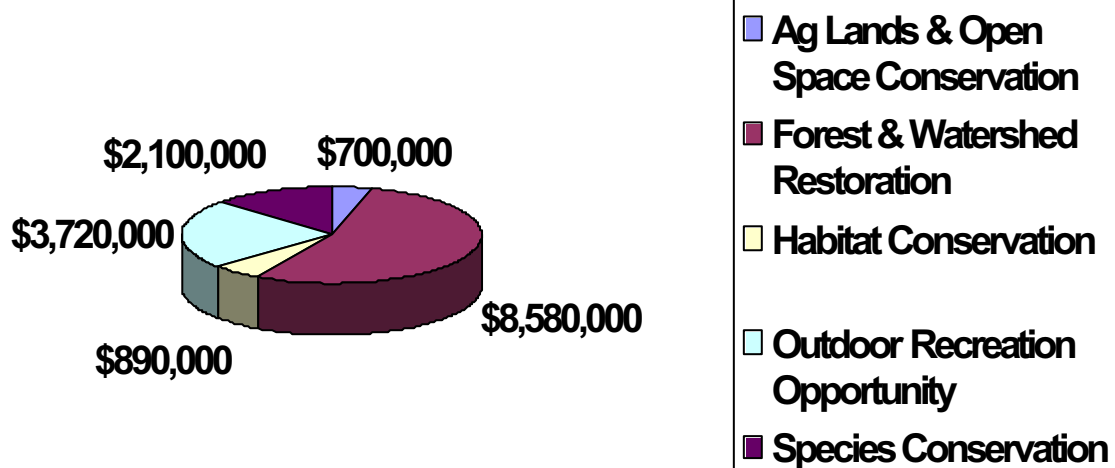
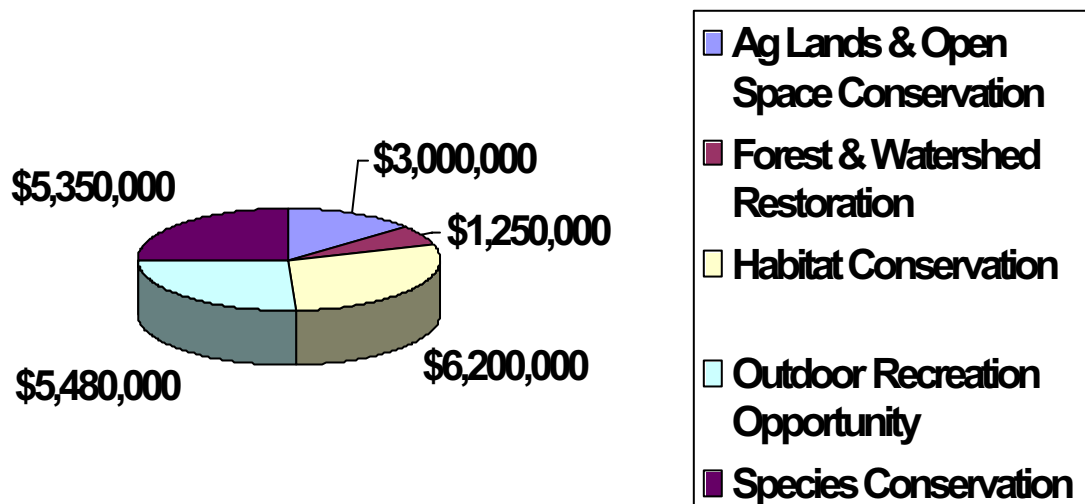


Chart 4

Estimated Annual Leveraging Capacity



C. Options Studied for New Mexico Conservation Funding

The New Mexico Taxation and Revenue Department and the Department of Finance and Administration estimated the revenue generating potential of a wide variety of “new” funds (funds that could be generated from voter or legislative approval of increases in particular existing tax rates, the approval of bonds for conservation purposes, or approval of new uses for existing revenue sources). The relative financial prospects and merits of 12 conservation funding mechanisms for New Mexico are presented in Table 4.

The study did not analyze the full range of existing dedicated revenue streams from particular taxes and other credits. An option for the Legislature would be to decide that the benefits of sustained funding for conservation priorities merit a reallocation of one or more such funding sources. Another option would be to do away with one or more tax credits, with the resulting gain to the general fund dedicated in whole or in part to a special fund for enumerated conservation priorities.

Table 4 lists the revenue sources that were analyzed, not merely the sources that are realistic. Of the \$37 to \$48 million needed for annual conservation funding, \$13 to \$16 million is needed for operations and maintenance expenditures. We recommend that preference is given to those funding sources, singly or in combination, that will meet the projected needs. Those are the ones that generate the most revenues, are the most broadly based, and are not voluntary.

Table 4 – POSSIBLE CONSERVATION FUNDING SOURCES FOR NEW MEXICO (all figures are approximate)			
Source	Amount Generated*	Pros	Cons
1/8 % gross receipts tax (12 cents per \$100)	\$50 million per year	Highest and most reliable source of continuing revenue	Possible opposition from taxpayers
\$30 million general obligation bond (based on \$4.00 per \$100,000 of assessed property value)	\$30 million	High source of revenue	Funds could only be used for land acquisitions; operational funds must come from elsewhere
Severance tax permanent fund (0.5 % increase from existing allotment)	\$25 million per year	No new tax for taxpayers; a natural nexus between natural resource extraction and conservation	May require taking funding away from other state programs

Table 4 – POSSIBLE CONSERVATION FUNDING SOURCES FOR NEW MEXICO (all figures are approximate)			
Source	Amount Generated*	Pros	Cons
1% real estate transfer tax on residential resales	\$20 million per year	Ties naturally to conservation; reliable source of continuing revenue	Possible opposition from Realtors and property owners
5% share of annual severance tax bonding capacity	\$7.5 million per year	No new tax for taxpayers; a natural nexus between natural resource extraction and conservation	May require taking funding away from other state programs
2% tax on services and products used in outdoor activities (camping, hunting, fishing, etc.)	\$11.5 million per year	Large source of continuing revenue	Possible opposition from recreation and tourism industry
1.5% lodger's tax increase	\$9.3 million per year	Much of the revenue would come from out-of-state visitors	Possible opposition from lodging industry
\$2.00 income tax surcharge	\$3.25 million per year	Reliable source of continuing income	Possible opposition from taxpayers for relatively small revenue amount
Dedicating 10% of state lottery funds	\$2.5 million per year	Contributions are voluntary	Possible opposition from education advocates; unreliable source – revenues from lottery have been decreasing
\$25 special conservation license plate	\$50,000 per year	Little or no opposition from opponents	Low source of revenue; 25 special plates already available
\$4 surcharge on speeding tickets	\$500,000 per year	Residents would not pay increased taxes	Low source of revenue; spending not tied to conservation
\$1.00 Income Tax Check-off	\$50,000 per year	Contributions are voluntary; little or no opposition from opponents	Low source of revenue; many taxpayers would probably not participate

VI. Conclusions for Legislative Consideration

New Mexico must ensure a conservation legacy for future generations

New Mexico is home to the fourth largest number of plant and animal species in the United States, with 90 species of plants and animals that do not exist anywhere else in the world. Alteration and development of New Mexico's natural areas to accommodate the state's rapidly growing population have contributed to fragmentation and destruction of these species. Loss of agricultural lands and outdoor recreation space impacts our quality of life and future economic vitality. Unless reversed, degradation of our water resources and diminishment of wetlands and native bosque forests could make socio-economic challenges issues of survival.

New Mexico is not matching the conservation commitments of its sister states, even on a per capita basis. It is time for New Mexico to establish an all-inclusive, wide-ranging, fully funded conservation plan. All New Mexicans and those who visit our state value and benefit from the maintenance of healthy wildlife populations and from accessible, quality outdoor recreation and unspoiled natural areas – outdoor enthusiasts, tourism-related industries, businesses, landowners, farmers, ranchers and all of us who appreciate the beauty of New Mexico.

Our state has the opportunity to make conservation a permanent part of how New Mexicans think, plan and act. This study has identified a set of important conservation needs. To be met, these will require a sustained, increased annual investment of \$37 million to \$48 million dollars for several years.

Such an investment – in our water and other natural resources, in our wildlife legacy, in our outdoor recreational uses, and in a healthy environment – will continue to return far more than this amount to the state every year. The benefits of funding conservation are broad and deep and thus merit funding from broad-based, substantial and dedicated revenue sources. The public strongly supports sustainable conservation funding.

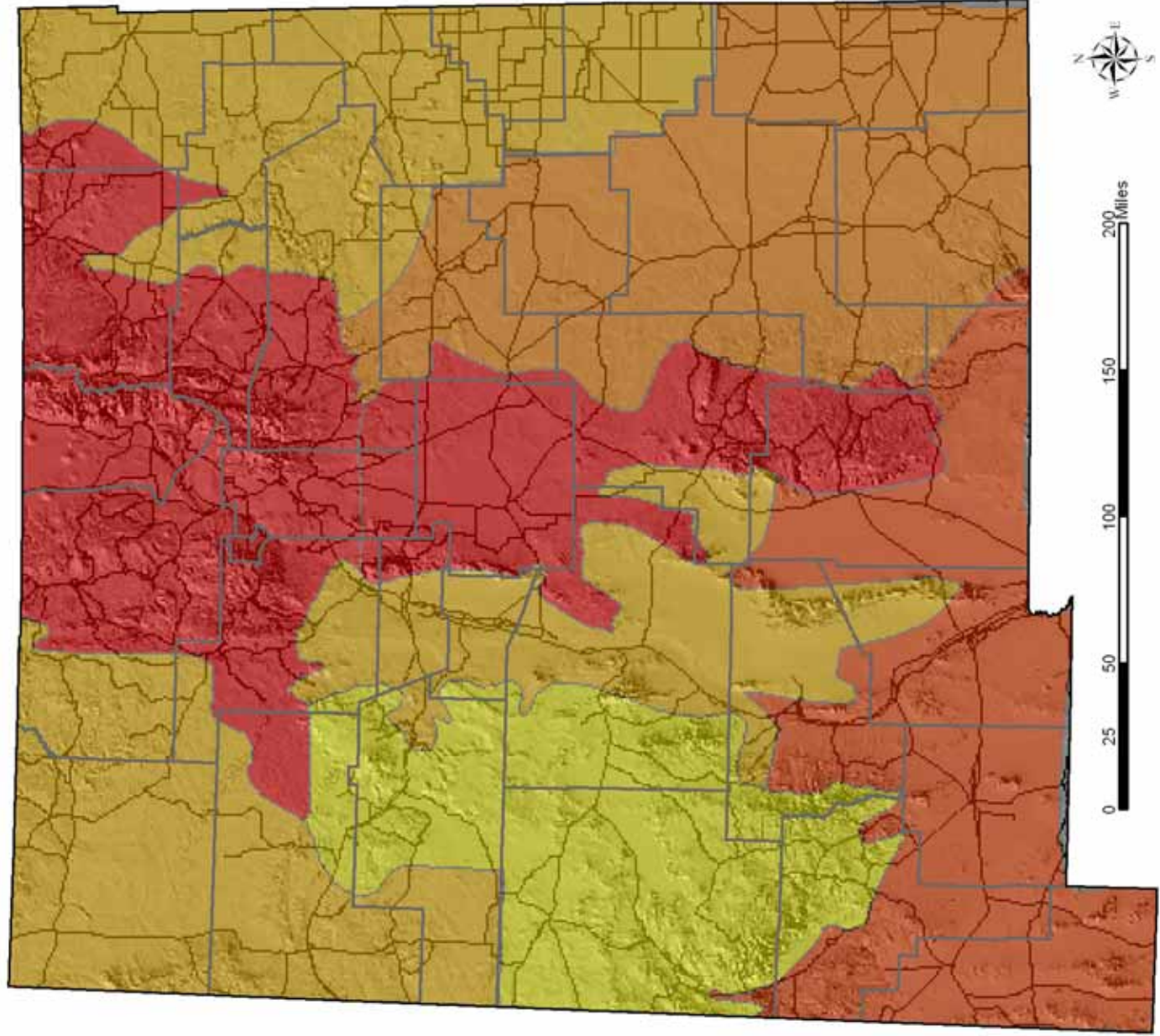
Specific funding options available to the Legislature can usher in a new day of alternative sustainable conservation funding for New Mexico. Sustainable conservation funding will assure that our water, lands and wildlife will be protected for more generations of New Mexicans to use, appreciate and cherish now and into the future. It is within the authority and power of the Legislature and the Governor to give birth to this new conservation legacy for New Mexico. The tools are at hand. The choices are ours to make.

If, in the legislature's best judgment, the complexity of these funding questions makes it premature for action during the 2005 legislative session, then it seems prudent that an appropriate interim committee be charged with developing and recommending legislation for sustainable conservation funding to the 47th Legislature, second session. Our agencies and others who have contributed to this study stand ready to assist such an effort.

Acknowledgements

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Watershed Conditions: Drought Severity



County Boundary

Major Roads

Palmer Drought Severity Index

-4.37 to -4.22

-4.21 to -2.62

-2.61 to -2.60

-2.59 to -2.11

-2.10 to -1.70

The Palmer Drought Severity Index measures the departure of the moisture supply for a given area. This data was based on the eight climate divisions for the state that correlate to weather records gathered in 2003 by the Climate Prediction Center (NOAA).

Exceptionally Dry -3 -2 -1 0 1 2 3 4 Exceptionally Wet

SCALE 1:3,250,000

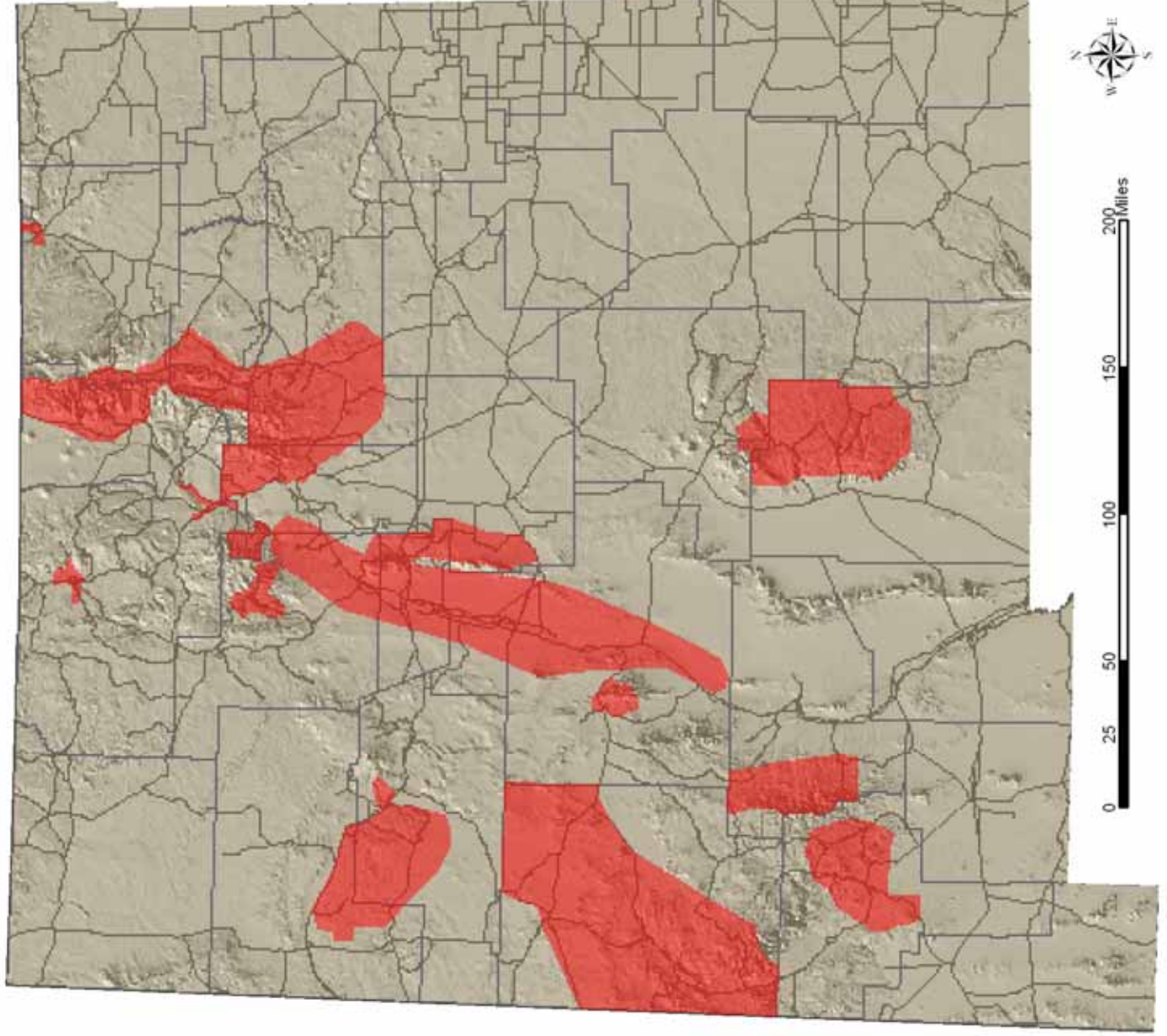
Map Created December 15, 2004

by The Nature Conservancy of New Mexico

Data Provided by NM EMNRD Forestry Division,
and NM Resource Geographic Information System

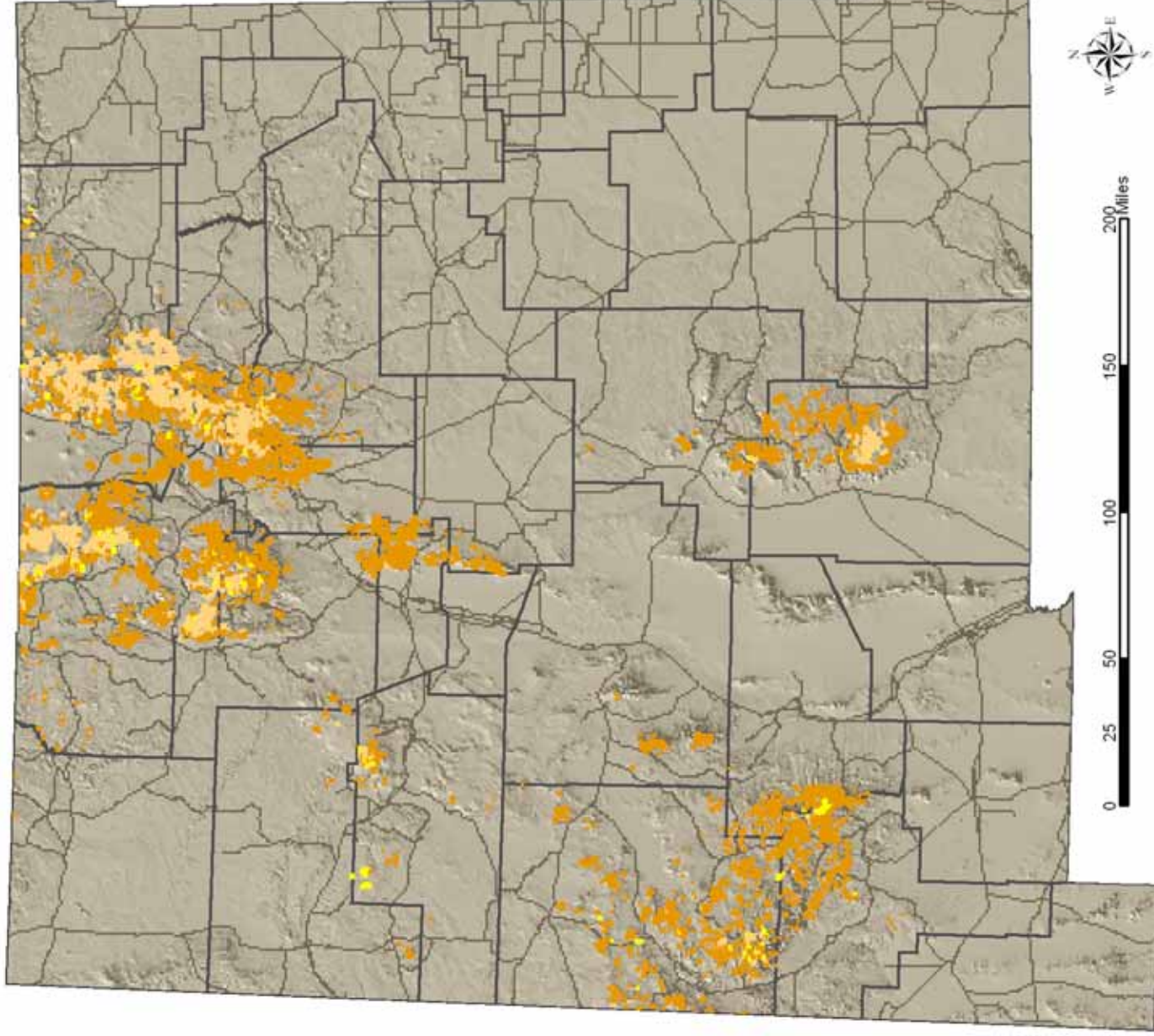
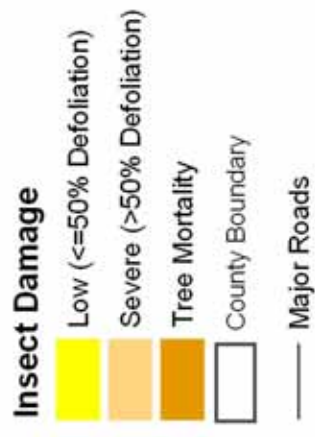
Watershed Conditions: Fire Risk Areas

- Areas of Greatest Fire Risk
- County Boundary
- Major Roads



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Map Created December 15, 2004
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Data Provided by NM EMNRD Forestry Division
and NM Resource Geographic Information System

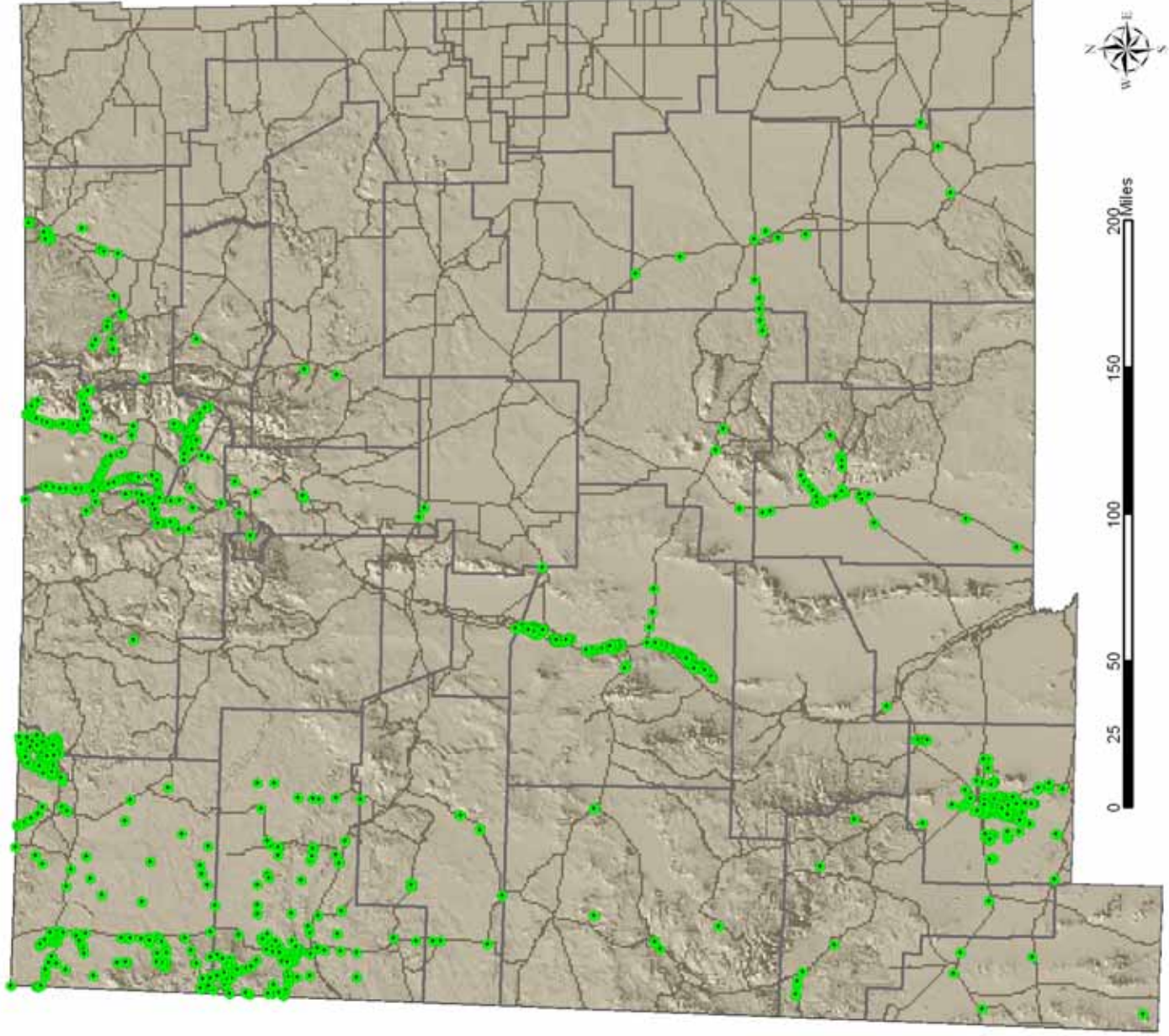
Watershed Conditions: Insect Damage Areas



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 Data Provided by NM EMNRD Forestry Division
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Watershed Conditions: Exotic Invasive Plant Problem Areas

- Exotic Invasive Infestation
- County Boundary
- Major Roads



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Data Provided by NM EMNRD Forestry Division,
NM Resource Geographic Information System,
and Southwest Exotic Plant Information Clearinghouse.

New Mexico Department of Game & Fish Wildlife Area Locations

NMDGF Wildlife Area Locations

- Lesser Prairie Chicken Areas
- Waterfowl Management Areas
- Wildlife Management Areas

Land Stewardship

- Bureau of Land Management
- Bureau of Reclamation
- Fish and Wildlife Service
- Military
- National Forest Service
- National Park Service
- New Mexico State Trust Land
- New Mexico State Parks
- Private
- Tribal
- Valles Caldera Nat'l Preserve
- County Boundary
- Municipal/Urban Areas
- Major Roads

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Data Provided by NM EMNRD Forestry Division,
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and NM Department of Game & Fish

