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HOUSE BILL 188

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Kristina Ortez and Stefani Lord

AN ACT

RELATING TO LAND GRANTS; AMENDING THE LAND GRANT SUPPORT ACT;
CREATING THE LAND GRANT-MERCED REVOLVING LAND FUND; PROVIDING
FOR ADMINISTRATION AND RULEMAKING; AMENDING THE LAND GRANT-
MERCED ASSISTANCE FUND; PROVIDING FOR DISTRIBUTIONS FOR LOAN
REPAYMENTS; MAKING AN APPROPRIATION.

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

SECTION 1. Section 49-11-1 NMSA 1978 (being Laws 2009,
Chapter 94, Section 1) is amended to read:

"49-11-1. SHORT TITLE.--~~[This act]~~ Chapter 49, Article 11
NMSA 1978 may be cited as the "Land Grant Support Act"."

SECTION 2. Section 49-11-2 NMSA 1978 (being Laws 2009,
Chapter 94, Section 2) is amended to read:

"49-11-2. DEFINITIONS.--As used in the Land Grant Support
Act:

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underscoring material = new
[bracketed material] = delete

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1 A. "assistance fund" means the land grant-merced
2 assistance fund;

3 ~~[A.]~~ B. "council" means the land grant council;
4 [and]

5 C. "land fund" means the land grant-merced
6 revolving land fund;

7 ~~[B.]~~ D. "land grant" means a patented community
8 land grant-merced organized and operating as a political
9 subdivision of the state;

10 E. "qualified land grant-merced" means a land
11 grant-merced:

12 (1) with an elected board of trustees that is
13 in compliance with Chapter 49, Article 1 or 4 NMSA 1978;

14 (2) that is in compliance with the Audit Act;

15 (3) that is in compliance with Section 49-11-6
16 NMSA 1978; and

17 (4) that has submitted a report by September 1
18 of each year to the council of its annual revenue for the
19 previous year, calculated on a cash basis of accounting,
20 exclusive of capital outlay funds, federal or private grants
21 disbursed directly by an administering agency or previous year
22 distributions from the assistance fund; and

23 F. "real property" means land, improvements, water
24 rights, mineral rights and right-of-way easements."

25 SECTION 3. Section 49-11-6 NMSA 1978 (being Laws 2022,
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1 Chapter 32, Section 2) is amended to read:

2 "49-11-6. LAND GRANT-MERCED ASSISTANCE FUND CREATED--
3 DISTRIBUTION.--

4 A. The "land grant-merced assistance fund" is
5 created in the state treasury and shall be administered by the
6 department of finance and administration. The assistance fund
7 consists of gifts, grants, donations, appropriations to the
8 assistance fund and distributions to the assistance fund made
9 pursuant to the Tax Administration Act.

10 B. On or before September 1, 2023 and on or before
11 September 1 of each subsequent year, the state auditor shall
12 provide a list to the [~~land grant~~] council of the land grants-
13 mercedes that are in compliance with the Audit Act and the
14 category of compliance required for each land grant-merced
15 pursuant to Subsection B of Section 12-6-3 NMSA 1978.

16 C. Within thirty days of the receipt of the list of
17 Audit-Act-compliant land grants-mercedes and their Audit Act
18 compliance levels provided by the state auditor pursuant to
19 Subsection B of this section, the [~~land grant council shall~~
20 ~~determine the land grants-mercedes on the list that are~~
21 ~~assistance-qualified pursuant to Paragraph (1) of Subsection F~~
22 ~~of this section]~~ council shall create a list of qualified land
23 grants-mercedes and their distribution categories pursuant to
24 Subsection D of this section and provide [~~a~~] the list of those
25 determinations to the department of finance and administration

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1 and the state treasurer; provided that when a land grant-merced
2 is in arrears on repayment of a loan from the land fund at the
3 time the council submits its list, the council shall also
4 notify the department of finance and administration and the
5 state treasurer of the payment amount owed.

6 D. ~~[An assistance-qualified]~~ A qualified land
7 grant-merced with an annual revenue ~~[calculated on a cash basis~~
8 ~~of accounting, exclusive of capital outlay funds or federal or~~
9 ~~private grants disbursed directly by an administrating agency~~
10 ~~or previous year distributions from the land grant-merced~~
11 ~~assistance fund]~~ as reported to the council as a condition of
12 being a qualified land grant-merced as defined in Section
13 49-11-2 NMSA 1978 shall receive an annual distribution amount
14 starting in fiscal year 2024 and continuing in each subsequent
15 fiscal year in accordance with the following:

16 (1) less than fifty thousand dollars
17 (\$50,000), the ~~[assistance-qualified]~~ qualified land grant-
18 merced shall receive a full distribution;

19 (2) at least fifty thousand dollars (\$50,000)
20 but not more than two hundred fifty thousand dollars
21 (\$250,000), the ~~[assistance-qualified]~~ qualified land grant-
22 merced shall receive seventy-five percent of a full
23 distribution;

24 (3) at least two hundred fifty thousand
25 dollars (\$250,000) but not more than five hundred thousand

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1 dollars (\$500,000), the [~~assistance-qualified~~] qualified land
2 grant-merced shall receive fifty percent of a full
3 distribution; and

4 (4) five hundred thousand dollars (\$500,000)
5 or more, the [~~assistance-qualified~~] qualified land grant-merced
6 shall receive twenty-five percent of a full distribution.

7 E. Within thirty days of receiving the list of
8 [~~assistance-qualified~~] qualified land grants-mercedes pursuant
9 to Subsection C of this section, the state treasurer shall
10 distribute to each [~~assistance-qualified~~] qualified land grant-
11 merced the amount determined pursuant to Subsections C and D of
12 this section; provided that upon notification of a payment in
13 arrears pursuant to Subsection C of this section, the state
14 treasurer shall subtract the lesser of forty-five percent of
15 the distribution or the amount of the payment owed from that
16 land grant-merced's distribution and distribute the subtracted
17 amount to the land fund. If the balance in the assistance fund
18 as of the preceding June 30 exceeds the sum of certified
19 amounts distributed, the difference shall revert to the
20 [~~general~~] land fund.

21 F. As used in this section,

22 [~~(1) "assistance-qualified land grant-merced"~~]
23 ~~means a land grant-merced that has supplied an account of its~~
24 ~~previous fiscal year revenue calculated in the same manner used~~
25 ~~for an annual calculation pursuant to Subsection D of this~~

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1 ~~section to the land grant council, is in compliance with~~
2 ~~Chapter 49, Article 1 or 4 NMSA 1978, including having an~~
3 ~~elected board of trustees, and is in compliance with the Audit~~
4 ~~Act; and~~

5 (2)] "full distribution" means an amount equal
6 to the annual amount of money in the [~~land grant merced~~]
7 assistance fund at the start of a fiscal year divided by the
8 total number of [~~assistance-qualified~~] qualified land grants-
9 mercedes as determined by the [~~land grant~~] council pursuant to
10 Subsection C of this section for that fiscal year."

11 SECTION 4. A new section of the Land Grant Support Act is
12 enacted to read:

13 "[NEW MATERIAL] LAND GRANT-MERCED REVOLVING LAND FUND
14 CREATED--ADMINISTRATION--PURPOSES.--

15 A. The "land grant-merced revolving land fund" is
16 created as a nonreverting fund in the state treasury. The land
17 fund consists of accrued interest, appropriations, donations,
18 gifts, grants, payments on loans made from the land fund,
19 reversions from the assistance fund and other money provided to
20 the land fund pursuant to statute. The land fund shall be
21 administered by the council to make loans to qualified land
22 grants-mercedes pursuant to Subsection B of this section.
23 Disbursements from the land fund shall be made by warrant of
24 the secretary of finance and administration pursuant to
25 vouchers signed by the chair of the council or the chair's

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1 designee.

2 B. The council shall make loans from the land fund
3 to qualified land grants-mercedes for purchases of real
4 property; provided that:

5 (1) the council shall establish an application
6 process and the terms, conditions and rates of interest for
7 loans made from the land fund by rule; and provided further
8 that the council shall not establish:

9 (a) a rate of interest on a loan of less
10 than two percent per year or in excess of four percent per
11 year;

12 (b) a loan repayment schedule for less
13 than ten years or in excess of forty years; and

14 (c) a penalty for early repayment of a
15 loan;

16 (2) the council shall accept a capital outlay
17 appropriation toward repayment of a loan;

18 (3) the total amount of unpaid loans from the
19 land fund to an individual land grant-merced shall not exceed
20 twenty-five percent of the total amount of money appropriated
21 or accrued to the land fund;

22 (4) an otherwise qualified land grant-merced
23 shall not be eligible for a loan from the land fund when its
24 resulting total debt service to the land fund exceeds forty-
25 five percent of its annual budget averaged over the previous

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1 five fiscal years; and

2 (5) land purchased in whole or in part using
3 money from a loan from the land fund shall be perpetually held
4 in trust by the board of trustees of the purchasing land
5 grant-merced as a nontransferrable asset for the benefit of the
6 heirs of the land grant-merced; and provided further that
7 purchased land may be transferred in an exchange with other
8 government entities for other land. Land acquired through such
9 an exchange shall be subject to the restrictions of this
10 paragraph."

11 SECTION 5. APPROPRIATION.--Eight million dollars
12 (\$8,000,000) is appropriated from the general fund to the land
13 grant-merced revolving land fund for expenditure in fiscal year
14 2025 and subsequent fiscal years for the purposes of the fund.
15 Any unexpended or unencumbered balance remaining at the end of
16 a fiscal year shall not revert to the general fund.