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FISCAL IMPACT REPORT

SPONSOR McQueen/Stefanics ORIGINAL DATE 02/26/19
LAST UPDATED _____ HB 592

SHORT TITLE La Merced Del Manzano Land Grant SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		No fiscal impact				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of Bill

House Bill 592 proposes to add the Manzano land grant-merced in Torrence county under Chapter 49, Article 1, NMSA 1978. To accomplish this, the bill also repeals the grant-merced's statute.

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

According to the NMAG, the bill would have the primary effect of clarifying that the land grant is a political subdivision of the state. However, the bill would also lead to other changes including the need to establish a board of trustees and set compensation and terms of office for trustees.

NMAG noted while Section 49-7-1 currently defines the land grant as "a body corporate and politic," suggesting that it is also a political subdivision, this is not stated expressly. Moreover, not all bodies corporate and politic are necessarily political subdivisions. See § 58-10-33 (providing that "[e]very association incorporated pursuant to, or operating under, the provisions

of the Savings and Loan Act has all powers authorized by the corporation laws of this state, is a body corporate and politic”). However, that is the general meaning of a “body... politic.” See *Gallagher v. Albuquerque Metro. Arroyo Flood Control Auth.*, 1977-NMCA-029, ¶ 8, 90 N.M. 309, 312 (noting that, “The role of a body politic, a political subdivision of the State, is the role of an instrumentality of state government.”). As such, this is a complex issue and House Bill 592 would resolve it.

PERFORMANCE IMPLICATIONS

According to Chapter 49 definitions, a “land grant-merced” means a grant of land made by the government of Spain or by the government of Mexico to a community, town, colony or pueblo or to a person for the purpose of founding or establishing a community, town, colony or pueblo.

A political subdivision is a separate legal entity of a State which usually has specific governmental functions. The term ordinarily includes a county, city, town, village, or school district, and, in many states, a sanitation, utility, reclamation, drainage, flood control, or similar district.

ALTERNATIVES

NMAG suggested one alternative to modifying Section 49-1-2, as the bill currently proposes, is to instead add language in Section 49-7-1 providing that La Merced del Manzano is a political subdivision. That could read as:

That certain land grant situate in the county of Torraine in the state of New Mexico is hereby incorporated and formed into a body corporate and politic and a political subdivision of the State of New Mexico under the name and title of "La Merced del Manzano"; and as such corporate body and in its name shall have the right and power to sue and be sued.

AHO/sb/al