

LFC Requester:	Davidson, Austin
-----------------------	-------------------------

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: 01/16/2025 *Check all that apply:*
Bill Number: HB25 Original Correction
 Amendment Substitute

Sponsor: Miguel P. García **Agency Name and Code:** NMSTO 39400
Short Title: LAND GRANT-MERCED INFRASTRUCTURE ACT **Number:** _____
Person Writing: Dominic Chavez **Phone:** 505-955-1144 **Email:** dominicl.chavez@sto.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$20,000	Recurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(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:

HB25 established the Land Grant-Merced Infrastructure Act. The bill would require the Land Grant Council in consultation with DFA to adopt guidelines for providing infrastructure assistance and authorize funding to land grants-mercedes for qualified projects. The bill creates the land grant-merced infrastructure trust fund which will be managed by the State Investment Council. The bill requires an annual distribution of \$18MM until the distribution is less than four and seven-tenths percent of the average preceding five calendar year market value. The distribution will then be four and seven-tenths percent of the average preceding five calendar year market value. The bill creates the nonreverting, land grant-merced infrastructure project fund in the state treasury. The bill also requires one and one-tenth percent of bonding capacity be allocated for land grant-merced infrastructure projects. The bill appropriates \$20MM from the general fund to the land grant-merced infrastructure trust fund for expenditure in fiscal year 2026 and subsequent fiscal years.

FISCAL IMPLICATIONS

By itself, the creation of a new fund in the state treasury does not have a direct fiscal impact on STO. However, in the aggregate, the creation of many new funds within the state treasury does increase the workload of STO staff. Timing, collaboration, and communication between agencies and STO is critical when transferring or wiring funds.

SIGNIFICANT ISSUES

It's important to understand if funds will be managed by STO or the State Investment Council (SIC). STO's investments of public funds are strictly regulated by Chapter 6, Article 10 NMSA 1978, unlike the State Investment Council which can invest longer-term with higher risk.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

By itself, the creation of a new fund in the state treasury does not have a direct fiscal impact on STO. However, in the aggregate, the creation of many new funds within the state treasury does increase the workload of STO staff. Timing, collaboration, and communication between agencies and STO is critical when transferring or wiring funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Land Grant-Merced Infrastructure Act will not be established.

AMENDMENTS