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AN ACT

RELATING TO GOVERNMENT FINANCING; CREATING THE LAND GRANT-MERCED ASSISTANCE FUND; PRESCRIBING DUTIES; PROVIDING FOR DISTRIBUTIONS PURSUANT TO THE TAX ADMINISTRATION ACT; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the Tax Administration Act is enacted to read:

"DISTRIBUTION--LAND GRANT-MERCED ASSISTANCE FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the land grant-merced assistance fund in an amount equal to five-hundredths percent of the net receipts attributable to the gross receipts tax after distributions have been made pursuant to Sections 7-1-6.46 and 7-1-6.47 NMSA 1978."

SECTION 2. A new section of Chapter 49 NMSA 1978 is enacted to read:

"LAND GRANT-MERCED ASSISTANCE FUND
CREATED--DISTRIBUTION.--

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

1 Administration Act.

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

8 C. Within thirty days of the receipt of the list
9 of Audit-Act-compliant land grants-mercedes and their Audit
10 Act compliance levels provided by the state auditor pursuant
11 to Subsection B of this section, the land grant council shall
12 determine the land grants-mercedes on the list that are
13 assistance-qualified pursuant to Paragraph (1) of Subsection
14 F of this section and their distribution categories pursuant
15 to Subsection D of this section and provide a list of those
16 determinations to the department of finance and
17 administration and the state treasurer.

18 D. An assistance-qualified land grant-merced with
19 an annual revenue, calculated on a cash basis of accounting,
20 exclusive of capital outlay funds or federal or private
21 grants disbursed directly by an administrating agency or
22 previous year distributions from the land grant-merced
23 assistance fund, shall receive an annual distribution amount
24 starting in fiscal year 2024 and continuing in each
25 subsequent fiscal year in accordance with the following:

1 (1) less than fifty thousand dollars
2 (\$50,000), the assistance-qualified land grant-merced shall
3 receive a full distribution;

4 (2) at least fifty thousand dollars
5 (\$50,000) but not more than two hundred fifty thousand
6 dollars (\$250,000), the assistance-qualified land grant-
7 merced shall receive seventy-five percent of a full
8 distribution;

9 (3) at least two hundred fifty thousand
10 dollars (\$250,000) but not more than five hundred thousand
11 dollars (\$500,000), the assistance-qualified land grant-
12 merced shall receive fifty percent of a full distribution;
13 and

14 (4) five hundred thousand dollars (\$500,000)
15 or more, the assistance-qualified land grant-merced shall
16 receive twenty-five percent of a full distribution.

17 E. Within thirty days of receiving the list of
18 assistance-qualified land grants-mercedes pursuant to
19 Subsection C of this section, the state treasurer shall
20 distribute to each assistance-qualified land grant-merced the
21 amount determined pursuant to Subsections C and D of this
22 section. If the balance in the fund as of the preceding June
23 30 exceeds the sum of certified amounts distributed, the
24 difference shall revert to the general fund.

25 F. As used in this section:

1 (1) "assistance-qualified land grant-merced"
2 means a land grant-merced that has supplied an account of its
3 previous fiscal year revenue calculated in the same manner
4 used for an annual calculation pursuant to Subsection D of
5 this section to the land grant council, is in compliance with
6 Chapter 49, Article 1 or 4 NMSA 1978, including having an
7 elected board of trustees, and is in compliance with the
8 Audit Act; and

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

15 **SECTION 3. EFFECTIVE DATE.**--The effective date of the
16 provisions of this act is July 1, 2022. _____

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