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FISCAL IMPACT REPORT

SPONSOR <u>HRDLC</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/10/2023</u>
SHORT TITLE <u>Land Grants As Political Subdivisions</u>	BILL NUMBER <u>CS/House Bill 33/HRDLC</u>
	ANALYST <u>Hanika-Ortiz</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMAG	Indeterminate, but minimal	Indeterminate, but minimal	Indeterminate, but minimal	Indeterminate, but minimal	Recurring	General Fund
Land Grant Council	Indeterminate, but minimal	Indeterminate, but minimal	Indeterminate, but minimal	Indeterminate, but minimal	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bill 20 and House Bill 268 and Senate Bill 87

Sources of Information

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of the HRDLC Substitute for House Bill 33

The House Rural Development, Land Grants and Cultural Affairs Committee Substitute for House Bill 33 amends Section 49-1-2 NMSA 1978, by adding 17 land grants/mercedes which are currently operating and recognized as political subdivisions, as described in Sections 49-1-1 through 49-1-18 NMSA 1978. To accomplish this, the bill adds a new subsection for the Anton Chico, Abiquiu, Canon de Carnue, Cebolleta, Cristobal de la Serna, Cubero, Don Fernando de Taos, Santo Tomas Apostol del Rio de Las Trampas, Santa Barbara, Juan Bautista Baldes, San Joaquin del Rio de Chama, San Miguel de Bado, Santo Domingo de Cundiyo, Tierra Amarilla, San Antonio de las Huertas, Tajique and Torreon land grants. These land grants were confirmed by the U.S. Congress or by the court of private land claims, qualifying them as local units of government subject to all state laws applicable to any political subdivision. Section 49-1-2(A) NMSA 1978.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

NMAG's Treaty of Guadalupe Hidalgo Division works with the New Mexico Land Grant Council (NMLGC) to identify legal assistance for land grants-mercedes that are political subdivisions under Section 49 NMSA 1978. NMAG did not report a budget impact for the division; however, it is conceivable that because of the large number of land grants that may now seek advice and assistance, additional resources may be needed for the division and NMLGC.

Each fiscal year, the General Appropriation Act includes an appropriation for the NMLGC.

SIGNIFICANT ISSUES

NMAG noted that it is unclear whether the addition of the 17 land grants-mercedes to Section 49-1-2 NMSA 1978 will only be done for these certain communities, or there will be more additions as land grants become active and meet the status of political subdivision under Sections 49-1-1 through 49-1-18 NMSA 1978. If so, establishing certain criteria for land grants that have not been operating consistently may be beneficial.

For the original bill (HB33), NMAG provided the following comment that may still be pertinent, with regards to bringing the Cristobal de la Serna land grant under Chapter 49, Article 1 NMSA 1978. The Cristobal de la Serna land grant-merced is one of the land grants listed and it appears the NMAG's comment may also be applicable to some of the other land grants listed in the bill.

HB33 seeks to bring the Cristobal de la Serna land grant-merced under the authority of NMSA 1978, Chapter 49, Article 1, effectively granting political subdivision status by creating an exception to the language of limitation found in Sections 49-1-1.1(C) and 49-1-2(A) NMSA 1978. Without the proposed amendment, there would not appear to be a basis to confer political subdivision status on Cristobal de la Serna under New Mexico law. Although the United States Congress has not confirmed the Cristobal de la Serna land grant, there has been at least one prior land grant, the San Antonio del Rio Colorado land grant-merced, included within Section 49-1-2 despite not being confirmed by Congress. *See e.g.* NMSA 1978 § 49-1-2(F) (San Antonio del Rio Colorado land grant-merced subject to Chapter 49, Article 1 despite not being confirmed by Congress). Additionally, Cristobal de la Serna land grant-merced is recognized as a self-identified community land grant with common lands by heirs and scholars, despite lacking supporting documentation. *See* U.S. Gov't Accountability Office, GAO-04-59, Treaty of Guadalupe Hidalgo: Findings and Possible Options Regarding Longstanding Community Land Grant Claims in New Mexico (2004) [GAO Report].

PERFORMANCE IMPLICATIONS

NMLGC is required to provide an annual report on its activities including the status of all land grants/mercedes in New Mexico, by December 1 of each year.

ADMINISTRATIVE IMPLICATIONS

NMLGC posts a guidebook on the following website to help land grants function as new political subdivisions, and to help them implement best practices in their management.

https://lgc.unm.edu/sites/default/files/desktop/nm_land_grant_guidebook_2011.pdf

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 20, establishing qualified partitions of land grants-mercedes as autonomous land grants/mercedes.

Relates to House Bill 268, applying the provisions of Chapter 49, Article 1 NMSA 1978 to the Arroyo Hondo Arriba Land Grant.

Relates to Senate Bill 87, appropriating \$1 million in general fund to remove solid waste, liquid waste and hazardous waste deposited on community land grants organized under state law

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