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FISCAL IMPACT REPORT

SPONSOR <u>Garcia, M</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/21/2023</u>
SHORT TITLE <u>Establish Certain Land Grants-Mercedes</u>	BILL NUMBER <u>House Bill 20</u>
	ANALYST <u>Hanika-Ortiz</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Funds Affected
	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal		Recurring	General Fund
Total						

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

Relates to HB33

Sources of Information

LFC Files

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

SUMMARY

Synopsis of House Bill 20

House Bill 20 (HB20) amends the definition of “land grant-merced” as used in Chapter 49 (land grants) Article 1 (general provisions) NMSA 1978 to establish qualified partitions of land grants-mercedes as autonomous land grant-mercedes governed by the provisions of Section 49-1-1 NMSA 1978.

HB20 also amends Section 49-1-2 (application) NMSA 1978 to require NMAG to certify to the partition and to the Land Grant Council that: a) conveyance of the partition was to heirs of the original land grant-merced before 2004 for the purpose of establishing a community or town, b) been managed as common land for the original partition beneficiaries or heirs for at least 20 years, and c) the partitioned land was conveyed by the board of trustees of the original land grant-merced or by a state or federal court. This section also adds language to require the Guadalupe Hidalgo Treaty Division to establish methods and procedures for certifying the partitioned land grants.

Finally, HB20 includes a temporary provision that nothing in the act shall be construed to alter or

diminish the legal status of any land grant-merced or rights under the treaty of Guadalupe Hidalgo.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

The bill does not include an appropriation to NMAG to develop methods and procedures for certifying that land partitioned from a land grant-merced has met certain requirements. NMAG suggested additional staffing resources may be needed, but did not propose a cost estimate. The table above speculates an indeterminate but likely small additional operating budget impact.

The “prior to 2004” condition in the bill reflects the 2004 enactment of legislation allowing land grant-mercedes to become political subdivisions of the state. However, despite this recognition, they do not have any state guaranteed revenue distributions like other government entities. Each fiscal year, the General Appropriation Act includes a special general fund appropriation passed through the DFA operating budget for the Land Grant Council’s land grant support program. For FY22, the general fund appropriation distributed to the Land Grant Council was \$496.9 thousand.

SIGNIFICANT ISSUES

NMAG reports the effect of the amendments to Section 49-1-2 NMSA 1978 would be to convert this new category of (partitioned) land grants into political subdivisions of the state. As such, they may be eligible to apply for public funding for capital outlay or for programs such as for rural and economic development or land or water conservation purposes. As a political subdivision, this new category of land grant-merced will likely have state requirements for open meetings, public records, procurement, risk management, tort claims, and financial accountability.

The bill also adds new language creating an obligation on the part of the Guadalupe Hidalgo Treaty Division of NMAG to establish methods and procedures for certifying partitions of land grants.

ADMINISTRATIVE IMPLICATIONS

According to NMAG, establishing methods and procedures to certify that the partitioned land grant has been managed as common land for the beneficiaries or heirs of the original land grant will require staff time dedicated to additional administrative duties which may impact other obligations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 33, by including the Cristobal de la Serna land grant-merced as a land grant-merced governed by the provisions of Chapter 49, Article 1 NMSA 1978.

TECHNICAL ISSUES

NMAG notes the “methods and procedures for certifying partitions of land grants-mercedes”

likely constitute “rules” for the purposes of the State Rules Act. To ensure clarity, the bill could expressly authorize NMAG to adopt administrative rules setting forth the necessary methods and procedures.

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