

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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(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: _____ *Check all that apply:*
Bill Number: H330-341 Original Correction
 Amendment Substitute

Sponsor:	Rep. García; Rep. Jaramillo;	Agency Name	
	Rep. J. Martinez	and Code	DFA-341
	Short LAND GRANT-MERCED &	Number:	
	Title: ACEQUIA	Person Writing	
	INFRASTRUCTURE	Analysis:	Cristina Martinez
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(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					Recurring	General Fund
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(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

House Bill 330 (HB330) enacts the Land Grant-Merced and Acequia Infrastructure Act. The Act creates a land grant-merced infrastructure project fund and an acequia infrastructure project fund establishing a Land Grant-Merced and Acequia Infrastructure Trust Fund. The Trust Fund is a non-reverting fund in the state treasury.

The Act authorizes the State Board of Finance to allocate 1.1% percent of the estimated bonding capacity for land grant-merced infrastructure projects and 1.1% of the estimated bonding capacity for acequia infrastructure projects.

The Trust Fund would consist of appropriations, severance tax bonds, donations, and income from investment of the trust fund.

On July 1 of each year in which the balance in the trust fund is over \$5 million dollars, 3% of the balance in the trust fund shall be divided into equal distributions to the land grant-merced infrastructure project fund and the acequia infrastructure project fund. If the balance in the trust fund exceeds \$5 million dollars for the preceding five calendar years, 4.7% of the balance in the trust fund shall be divided into equal distributions to the land grant-merced infrastructure project fund and the acequia infrastructure project fund.

The land grant-merced infrastructure project fund will be administered by the Department of Finance and Administration (DFA) in consultation with the Land Grant Council (Council). The acequia infrastructure project fund will be administered by DFA in consultation with the Interstate Stream Commission (Commission).

DFA will work in concert with the Council and the Commission to adopt rules governing terms and conditions for qualified projects and establish priorities for providing infrastructure assistance for each project fund. DFA will develop application and evaluation procedures, qualifications, and forms for applicants and projects. DFA will originate and monitor grant agreements for qualified projects.

Qualified projects for land grant-merced infrastructure assistance include:

- Planning, designing, constructing, improving, expanding or equipping water and wastewater facilities, major water systems, electrical power lines, communications infrastructure, roads, health infrastructure, emergency response facilities and infrastructure needed to encourage economic development.
- Developing engineering feasibility reports for infrastructure projects.
- Providing special engineering services.
- Completing environmental assessments or archaeological clearances and other surveys for infrastructure projects.

- Acquiring land, easements or rights of way.
- Purchasing durable equipment.

Qualified projects for acequia infrastructure assistance include:

- Planning, engineering design or construction of irrigation works and infrastructure projects, including dams, reservoirs, diversions, ditches, flumes or other appurtenances for the purpose of restoration, repair, improvement of irrigation efficiency and protection from floods.

Disbursements from each project fund shall be made by warrant of the secretary of finance and administration pursuant to vouchers signed by the chair of the Council for land grant-merced infrastructure projects and by the chair of the Commission for acequia infrastructure projects.

The Council shall report to the appropriate legislative interim committee no later than November 1 of each year. The Commission shall report to the appropriate legislative interim committee no later than October 1 of each year. Each report shall include:

- Total expenditures from the project fund for the previous fiscal year.
- The purposes of which expenditures were made.
- An analysis of the progress of the projects funded.
- Recommendations for improvement of the Land Grant-Merced and Acequia Infrastructure Act.

Balances in the land grant-merced or acequia infrastructure project fund remaining at the end of the fiscal year shall revert to the Trust Fund. Any unexpended balance from proceeds of severance tax bonds issued for a land grant-merced or acequia infrastructure project shall revert to the severance tax bonding fund within six months of completion of the project.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

DFA will incur administrative costs to manage the Land Grant-Merced Infrastructure Project Fund, and Acequia Infrastructure Project Fund. DFA has not included any administrative cost burden within its base budget for FY26.

- An estimated cost of \$258,548 is needed to hire two project managers at pay band 75, as detailed below.

FTE Cost Detail	
Salary	92,560
Benefits	32,084
ISD Rate	864
HCM Assessment Fee	350
Telecom rate	616
On-Boarding Equipment*	2,800

Total Cost per FTE	129,274
FTE's needed	<u>2</u>
Total FTE Cost	<u><u>258,548</u></u>
* Includes cell phone, laptop, monitors and licensing	

SIGNIFICANT ISSUES

The Land Grant Council is administratively attached to the DFA/Local Government Division, while the Interstate Stream Commission is administratively attached to the Office of the State Engineer (OSE). OSE has developed Acequia and Community Ditch Infrastructure Fund (ACDIF) guidelines that are used to make recommendations to the Commission for planning, engineering design, and construction of acequia and community ditch projects under their Acequias Construction Programs. It is recommended that OSE works in consultation with the Interstate Stream Commission to carry out the acequia infrastructure project fund.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 25 is similar as it enacts the Land Grant-Merced Infrastructure Act and creates a land grant-merced infrastructure trust fund; however, it does not include acequias.

TECHNICAL ISSUES

HB 330 states an appropriation is included; however, the bill authorizes the State Board of Finance to allocate 1.1% percent of the estimated bonding capacity for land grant-merced infrastructure projects and 1.1% of the estimated bonding capacity for acequia infrastructure projects. There is no appropriation.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS