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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 1/26/25

**SPONSOR** Jaramillo

**BILL**

**SHORT TITLE** Santa Cruz De La Canada Land Grant      **NUMBER** Senate Bill 47

**ANALYST** Graeser

### REVENUE\* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Reduced Reversion from Land Grant-Merced Assistance Fund		(\$95.0) to (\$115.0)	(\$95.0) to (\$120.0)	(\$95.0) to (\$120.0)	(\$95.0) to (\$125.0)	Recurring	General Fund

Parentheses ( ) indicate revenue decreases.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Land Grant-Merced Assistance Fund		\$95.0 to \$115.0	\$95.0 to \$120.0	Up to \$235.0	Recurring	Other state funds

Parentheses ( ) indicate expenditure decreases.

Relates to House Bill 21 and House Bill 25

### Sources of Information

LFC Files

Agency Analysis Received From

Department of Finance and Administration (DFA)

Agency Analysis was Solicited but Not Received From

New Mexico Attorney General (NMAG)

## SUMMARY

### Synopsis of Senate Bill 47

Senate Bill 47 (SB47) adds the name of the Santa Cruz de la Cañada Land Grant to list of state-recognized land grants-mercedes in Section 49-1-2 NMSA 1978.

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

## FISCAL IMPLICATIONS

The land grant-merced assistance fund, which provides annual distributions to qualified land grants-mercedes, receives .05 percent of the state’s share of gross receipts tax (GRT) after all other distributions have been made. According to 49-11-6 NMSA 1978, any difference between the balance of the land grant-merced assistance fund and the certified amounts distributed to land grants reverts to the general fund at the end of the fiscal year. Adding an additional land grant-merced to the list of potentially eligible land grants-mercedes will likely increase the grants distributed by the fund and therefore reduce net reversions to the general fund.

**Estimated and Projected Grant Amounts and Corresponding General Fund Impacts**  
(dollars in thousands)

	GRT	Estimated Average Grant	Reversion	Net General Fund Impact
FY23	\$2,016.60	\$94.00	\$506.50	\$0.00
FY24	\$2,093.10	\$98.00	\$525.70	\$0.00
FY25	\$2,250.00	\$106.00	\$560.00	\$0.00
FY26	\$2,360.00	\$111.00	\$470.00	(\$111.00)
FY27	\$2,440.00	\$115.00	\$490.00	(\$115.00)
FY28	\$2,510.00	\$118.00	\$500.00	(\$118.00)
FY29	\$2,600.00	\$122.00	\$530.00	(\$122.00)

## SIGNIFICANT ISSUES

The provisions of this bill allow the newly named land grant-merced access to the services provided by the Land Grant Council. These include:

- Access to capital outlay funding and
- Access to the land grant-merced assistance fund.

Before accessing funds from the land grant-merced assistance fund, Santa Cruz de la Cañada Land Grant would need to submit an annual budget proposal to The Department of Finance Administration (DFA) and submit an annual audit report.

## PERFORMANCE IMPLICATIONS

The LFC tax policy of accountability may not be met. The amount of the earmarked GRT transferred to the land grant-merced assistance fund is accessible in the RP500 monthly report published by the Taxation and Revenue Department. However, the number and amount of grants distributed by the Land Grant Council to the various qualified land grants-mercedes is not easily accessed. The data for this fiscal impact report was obtained from audit reports for FY23 and FY24. Not all of these have been submitted or reviewed.

## **ADMINISTRATIVE IMPLICATIONS**

The Local Government Division of DFA processes the grant awards on an annual basis. Adding one more should not constitute a significant increase in administrative burden.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to House Bill 21, which would change the percentage allocation brackets and render the fund non-reverting. Relates to House Bill 25 which proposes funding a land grant merced trust fund for infrastructure needs.

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