

HOUSE/SENATE BILL

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO LAND GRANTS; ADDING A NEW SECTION TO THE LAND GRANT SUPPORT ACT (LAWS OF 2009, CHAPTER 94, SECTION 1); CREATING THE LAND GRANT-MERCED COMMON LAND ACQUISITION REVOLVING FUND; ADMINISTRATION; PURPOSES; AMENDING LAND GRANT-MERCED ASSISTANT FUND (LAWS OF 2022, CHAPTER 32, SECTION 2); MAKING AN APPROPRIATION.

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

SECTION 1. A new section of Chapter 49, Article 11 NMSA 1978 is Enacted to read:

“LAND GRANT-MERCED COMMON LAND ACQUISITION REVOLVING FUND  
CREATED--ADMINISTRATION--PURPOSES.--

A. There is created in the Department of Finance and Administration the “land grant-merced common land acquisition revolving fund” which shall be administered by the land grant council. The council shall adopt rules necessary to administer the fund.

B. The following shall be deposited directly into the land grant-merced common land

1 acquisition revolving fund:

2 (1) money appropriated by the legislature to implement the provisions of this  
3 section;

4 (2) any balance remaining in the land grant-merced assistance fund, §49-11  
5 NMSA 1978, on June 30 fiscal year-end; and

6 (3) any other public or private money dedicated to the fund.

7 C. Money in the land grant-merced common land acquisition revolving fund is  
8 appropriated to the land grant council to make low-interest loans to qualified land grants-  
9 mercedes for the acquisition of real property, provided that:

10 (1) Real property acquired within the exterior boundaries of a land grant-merced  
11 shall become part of the common lands of the land grant-merced and shall not be alienable  
12 through fee simple conveyance to a third party;

13 (2) Real property acquired may be leased in accordance with a land grant-merced's  
14 bylaws for livestock grazing, housing and community and economic development purposes;

15 (3) Real property may be acquired outside the exterior boundaries of a land grant-  
16 merced if it is for economic development purposes or in order to transfer or exchange for  
17 lands within the exterior boundaries of the land grant-merced.

18 (4) The total amount loaned to a single qualified land grant-merced shall not  
19 exceed twenty-five (25) percent of the total fund balance, which includes both funds  
20 available in the fund and outstanding principal balances for existing loans.

21 D. The land grant council shall establish procedures and adopt rules governing the terms  
22 and conditions of loans made from land grant-merced common land acquisition revolving  
23 fund. The council may set the amount of interest to be charged on an annual basis, which at a  
24 minimum must not be less than a two percent annual percentage yield and at a maximum

1 must not exceed a four percent annual percentage yield. The council may set loan term for at  
2 least a minimum of ten-years and shall not exceed a maximum of forty-years. There shall be  
3 no penalty for early loan payoff and a qualified land grant-merced may seek capital outlay  
4 appropriations to pay down or pay off a land grant-merced common land acquisition  
5 revolving fund loan. The council may consider a debt service pledge of no more than forty-  
6 five (45) percent of the annual budget of a land grant-merced when determining loan terms.  
7 The Department of Finance and Administration may intercept up to forty-five (45) percent of  
8 the annual distribution to a land grant-merced, pursuant to Section 49-1-6 NMSA 1978, for  
9 debt service payment into the fund.

10 E. Money in the land grant-merced common land acquisition revolving fund at the end  
11 of the fiscal year shall remain in the fund and shall not revert to the general fund. Money in  
12 the fund not needed for immediate disbursement may be deposited with the state treasurer for  
13 short-term investment pursuant to Section 6-10-10.1 NMSA 1978.

14 F. As used in this section:

15 (1) “real property” means land, improvements, water rights, mineral rights and  
16 right of way easements.

17 (2) “qualified land grant-merced” means a land grant-merced named in Section  
18 49-1-2 or Section 49-4-1 NMSA 1978.

19 (3) “council” means land grant council.

20 (4) “the fund” means land grant-merced common land acquisition revolving  
21 fund.

22 (5) “heir” means an heir as defined in Section 49-1-1.1 or Section 49-4-4.1  
23 NMSA 1978.

24 (6) “exterior boundaries” means boundaries as patented by United States

1 government in recognition of a spanish or mexican land grant or historical boundaries as  
2 granted by Spain or Mexico in original granting documentation.

3 SECTION 2. Section 49-11-6(E) NMSA 1978 (being Laws 2022, Chapter 32, Section 2)  
4 is amended to read:

5 E. Within thirty days of receiving the list of assistance-qualified land grants-mercedes  
6 pursuant to Subsection C of this section, the state treasurer shall distribute to each assistance-  
7 qualified land grant-merced the amount determined pursuant to Subsections C and D of this  
8 section. If the balance in the fund as of the preceding June 30 exceeds the sum of certified  
9 amounts distributed, the difference shall ~~revert to the general~~ be deposited in the land grant-  
10 merced common land acquisition revolving fund.

11 SECTION 3. APPORIATION. – Six million dollars (\$6,000,000) is appropriated from the  
12 general fund to the land grant-merced common land acquisition revolving fund.