

The Land Grant-Merced and Acequia Infrastructure Act Proposed Funding Structure

Severance Tax Bonding Fund

- 1.1% of the estimated bonding capacity of the Fund (approx. \$19.8 million) will be set aside for Land Grant-Merced Infrastructure Projects
- 1.1% of the estimated bonding capacity of the Fund (approx. \$19.8 million) will be set aside for Acequia Infrastructure Projects
- Set aside is similar to, but less than, those funds already in existence for water projects (9.0%), Tribal Infrastructure (4.5%), and Colonia Infrastructure (4.5%)
- Any unexpended balance from proceeds of bonds issued for projects will revert to the Severance Tax Bonding Fund six months after a certified project is completed

1.1 % of estimated
bonding capacity

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Land Grant-Merced Infrastructure Project Fund

- Created in the State Treasury and administered by the Department of Finance and Administration in consultation with the New Mexico Land Grant Council

Receives Funds From:

- The Land Grant-Merced and Acequia Infrastructure Trust Fund
- Payments of principal and interest on loans for qualified projects
- Appropriations
- Proceeds from severance tax bonds in 1.1% allocations of the estimated bonding capacity (sunsets in 2032)

Reversions:

- Unused funds from the Land Grant-Merced and Acequia Infrastructure Trust Fund will revert back to that fund at the end of the fiscal year
- Unused funds from the severance tax bonding fund will revert back to that fund six months after a certified project is completed

Acequia Infrastructure Project Fund

- Created in the State Treasury and administered by the Department of Finance and Administration in consultation with the Interstate Stream Commission

Receives Funds From:

- The Land Grant-Merced and Acequia Infrastructure Trust Fund
- Payments of principal and interest on loans for qualified projects
- Appropriations
- Proceeds from severance tax bonds in 1.1% allocations of the estimated bonding capacity (sunsets in 2023)

Reversions:

- Unused funds from the Land Grant-Merced and Acequia Infrastructure Trust Fund will revert back to that fund at the end of the fiscal year
- Unused funds from the severance tax bonding fund will revert back to that fund six months after a certified project is completed

The Land Grant-Merced and Acequia Infrastructure Trust Fund

- Non-reverting fund in the State Treasury
- When the fund reaches over \$5 million; 3% of the funds shall be distributed equally to the two funds above
- When 4.7% of the total trust fund equals \$5 million or more; \$5 million shall be equally distributed among the two funds above

Note: The total fund would equal more than \$106 million in order to have a 4.7% of \$5 million