

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Maestas Barnes **ORIGINAL DATE** 01/22/16
LAST UPDATED 01/26/16 **HB** 66

SHORT TITLE Land Grant Mapping & Tax Issues Analysis **SB** _____

ANALYST Daly

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
\$50.0		Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI		NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General’s Office (AGO)

Department of Finance & Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 66, introduced for the Land Grant Committee, appropriates \$50 thousand from the general fund to AGO for expenditure in FY 16 and FY 17 to fund:

- Research of the history and legal basis for state-mandated maps used to assess property taxes on land grants-mercedes;
- Research of both legal and equitable issues raised when multiple entities making duplicative tax payments for the same parcels of property claimed by land grants-mercedes; and

- Development of approaches the state might pursue to remedy overlapping or conflicting property claims facing land grants-mercedes.

These analyses shall be presented to the appropriate legislative interim committee by Oct. 15, 2016. Any unexpended or unencumbered balance remaining at the end of FY 17 shall revert to the general fund.

This bill contains an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 17 shall revert to the general fund.

Although the AGO advises it will need to hire at least one FTE to conduct the required research, it does not indicate that the funding contained in the bill is insufficient to complete that research, and thus the Estimated Operating Budget Impact table above shows no fiscal impact.

SIGNIFICANT ISSUES

The minutes of the interim Land Grant Committee meeting on November 6, 2016 report that in the late 1930s and early 1940s, county assessors were under direction from the state to assess property taxes on land grants, and some assessors created plat maps of individual ownership by land grant heirs without consulting the land grants and ignoring the communal title to these lands. Additionally, the minutes reflect that inaccuracies and controversies regarding land boundaries at many land grants have led to multiple parties paying property taxes for the same parcels of land.

AGO, the agency that is assigned to conduct the research funded by this appropriation, reports no significant issues. DFA reports that the Attorney General has publicly stated his interest in pursuing the legal issues outlined in this bill.

MD/jle/al/jle