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## FISCAL IMPACT REPORT

SPONSOR Garcia, M ORIGINAL DATE 01/21/21  
LAST UPDATED \_\_\_\_\_ HB 41  
SHORT TITLE Establish Certain Land Grants-Mercedes SB \_\_\_\_\_  
ANALYST Hanika-Ortiz

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

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From

New Mexico Attorney General (NMAG)  
Administrative Office of the Courts (AOC)

### **SUMMARY**

#### Synopsis of Bill

HB41 expands the definition of “land grant-merced” in Section 49-1-1.1 NMSA 1978 to include lands that prior to 2004 were partitioned from the lands granted by Spain or Mexico to a community or town in order to establish a community, town, colony or pueblo, provided that:

- a) the partition was to establish common lands for a separate community or town;
- b) boundaries of the partition were confirmed by deed of title or indenture executed by the original land grant-merced’s board of trustees or by a state or federal court; and
- c) conveyance of the partition was to the heirs of the original land grant-merced.

HB41 also amends Section 49-1-2 NMSA 1978 by adding a new subsection that requires the partitioned lands to be both affirmed by a court of competent jurisdiction and certified by the Guadalupe Hidalgo Treaty division of the NMAG as having been managed as common land for the original partition beneficiaries or their heirs for at least twenty years prior to July 1, 2021.

The effective date of this bill is July 1, 2021.

## **FISCAL IMPLICATIONS**

The NMAG did not report the division would need additional funding to implement the bill.

If partitioned land grant-mercedes gain political subdivision status in the state under the provisions of this bill, they may be eligible to apply for state funding for various capital outlay and other programs such as for rural and economic development or land or water conservation purposes.

AOC reports it does not believe the bill has a fiscal or an administrative impact on the courts.

## **ADMINISTRATIVE IMPLICATIONS**

The Guadalupe Hidalgo Treaty division of the NMAG will be required to establish methods and procedures to certify that the partitioned land grant has been managed as common land for the beneficiaries or heirs of the original land grant. According to NMAG, this will require staff time dedicated to additional administrative duties which may impact other obligations of the division.

## **SIGNIFICANT ISSUES**

HB41, for the Land Grant Committee, amends existing statutes governing land grant-mercedes, particularly as to partitions of those lands to establish community land for a separate community or town, and whose common land boundaries have been confirmed by deed of title or indenture executed by the board of trustees of the original land grant-merced or by a state or federal court.

Section 1 authorizes those partitioned land grant-mercedes meeting certain requirements and that were partitioned prior to 2004 to be recognized. Section 2 authorizes partitioned land grant-mercedes meeting certain requirements, and that have been certified by the Guadalupe Hidalgo treaty division of the NMAG as having been managed as common lands for their heirs for at least 20 years prior to this bill's enactment to be recognized as political subdivisions of the state.

The "prior to 2004" condition contained in the bill most likely reflects the 2004 enactment of legislation allowing land grant-mercedes to become political subdivisions of the state. However, despite this recognition, they do not have any state guaranteed revenue distributions like other government entities. In addition, even though they are local units of government, land grant-mercedes must still pay property taxes to counties for the common lands that they still own. There are six partitioned land grant-mercedes in New Mexico established and deeded prior to 2004.

AHO/al