

LFC Requester:

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 01/20/2026 **Check all that apply:**
Bill Number: HB88 Original Correction
 Amendment Substitute

Sponsor: Matthew McQueen
Short Land Grant-Merced
Assistance Fund Changes

**Agency Name and
Code Number:** OSA 308

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB21
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Modifies the Land Grant Merced Assistance Fund (Laws 2022, Chapter 32) in the following ways:

- Increases revenue thresholds used to determine whether land grant-mercedes receive full or partial distributions from the fund.
- Makes the fund non-reverting, allowing its balance at the end of the fiscal year to remain available instead of reverting to the general fund.

The bill's effective date is July 1, 2026.

FISCAL IMPLICATIONS

The bill does not include a direct appropriation.

HB 88 shifts more assistance toward smaller land grants-mercedes by doubling the revenue threshold for receiving a full distribution, while leaving distribution levels for higher-revenue entities unchanged. Effectively, more small entities will be able to access a full distribution. The table below summarizes the changes.

Annual Revenue	HB88 Modification	Distribution Percentage
Less than \$50,000	Less than \$50,000 \$100,000	100%
Less than \$100,000	At least \$50,000 \$100,000 but < \$250,000	75%
\$250,000 to < \$500,000	No change	50%
\$500,000 or more	No change	25%

SIGNIFICANT ISSUES

Maintaining the link between distributions and Audit Act compliance while raising revenue thresholds will expand access for small land grants without weakening accountability.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB21, the Land Grant-Merced and Acequia Infrastructure Act (2026 Session). HB21 establishes a project fund that would provide a dedicated funding stream for land grant-mercedes infrastructure projects.

HB21 and HB88 could function as complementary support mechanisms for land grant-mercedes: HB21 for infrastructure, HB88 for other operations.

TECHNICAL ISSUES

**OTHER SUBSTANTIVE ISSUES
ALTERNATIVES**

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS