

LFC Requester:

Ismael Torres

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: 1/23/2026

Check all that apply:

Bill Number: SB 59Original Correction Amendment Substitute

Sponsor: Senator Leo Jaramillo and Rep. Miguel P. Garcia

Short Title: Land Grant-Merced & Acequia Trust

Agency Name
and CodeNumber: NMFA (385)Person Writing Michael VonderheidePhone: 505-992-9653 Email mvonderheide@nmfa.net**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)

SECTION III: NARRATIVE**BILL SUMMARY**

SB 59 enacts the Land Grant-Merced and Acequia Infrastructure Act. The Act creates the Land Grant-Merced and Acequia Infrastructure Trust Fund, the Land Grant-Merced Infrastructure

Project Fund and the Acequia Infrastructure Project Fund and makes an appropriation.

FISCAL IMPLICATIONS

SB 59 creates the Land Grant-Merced and Acequia Infrastructure Trust Fund (“Trust Fund”) as a non-reverting fund in the state treasury but does not appear to make an appropriation to the Trust Fund. The Act also creates the Land Grant-Merced Infrastructure Project Fund and the Acequia Infrastructure Project Fund (together, the “Project Funds”), in the state treasury and directs the State Board of Finance (“SBOF”) to allocate one and one-tenth percent of the estimated severance tax bonding capacity on an annual basis to each of the Project Funds prior to July 1, 2032. The severance tax bond proceeds would be used to fund eligible Land-Grant Merced and Acequia infrastructure projects per the Act and are appropriated to the respective Project Funds.

Pursuant to the Water Project Finance Act (§ 72-4A-1 NMFA 1978), the New Mexico Finance Authority (“NMFA”) makes grants and loans from the Water Project Fund to qualified entities, including acequias and land grant-merced, that have been authorized by the Legislature and recommended by the Water Trust Board (“WTB”). Additionally, that Act also creates in the State Treasury the Acequia Project Fund from which NMFA may make grants to Acequias for projects recommended by the Interstate Stream Agreement, the WTB and authorized by the Legislature. Since its establishment in 2004, the Acequia Project Fund has never received an appropriation, but did receive a modest grant from a private family foundation. The rigorous application process needed to prepare an annual legislative authorization list has made these programs less accessible to acequias and land grant-merced which often rely volunteers to oversee the operations.

ADMINISTRATIVE IMPLICATIONS

SB 59 tasks the Department of Finance and Administration to administer the Land Grant-Merced Infrastructure Project Fund in consultation with the Land Grant Council, and to promulgate rules governing terms, conditions and priorities for providing infrastructure assistance to Land Grant-Merced, including developing application and evaluation procedures, establishing terms and conditions of funding, and to authorize funding for qualified projects.

SB 59 tasks the Department of Finance and Administration to administer the Acequia Infrastructure Project Fund in consultation with the Interstate Stream Commission (“ISC”), and to promulgate rules as required to originate grants or loans for qualified projects recommend by ISC and govern the process through which qualified entities may apply for financial assistance from the fund.

OTHER SUBSTANTIVE ISSUES

While Land Grant-Merced and Acequias designated or organized as political subdivisions of the state are eligible entities for financing through NMFA public programs such as the Water Project Fund, the programs created by SB 59 require staffing that has a greater understanding of the specific issues that Land Grant-Merced and Acequias face. These types of entities and projects may be better served by the program administrators identified in SB 59.