

LFC Requester:	Ismael Torres
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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 1/23/2026 *Check all that apply:*
Prepared: _____
Bill SB 59 Original Correct
Number: _____ ion _____
 Amend _____ Substit _____
 ment _____ ute _____

Spons Leo Jaramillo and **Agency**
or: Miguel P. García **Name and**
Code
Number: NMDA - 199
Person Writing
Analysis: Jeff Witte
Short Land Grant-Merced **Pho** **Ema** Jheitz@nmda.nm
Name: & Acequia Trust **ne:** 575-294-3817 **il:** su.edu

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

0.0	Indeterminate	Indeterminate	Recurring	acequia infrastructure fund; land grant-merced infrastructure fund

(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	NFI	NFI	NFI	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB 21 Land Grant-Merced Acequia Infrastructure Act
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate bill 59 (SB 59) creates the land grant-merced and acequia infrastructure trust fund (trust fund) in the state treasury to be invested by the state investment officer. SB 59 creates the land grant-merced infrastructure project fund and, separately, the acequia infrastructure project fund (collectively; project funds) as non-reverting funds in the state treasury, to be administered by the department of finance and administration (DFA). Annual distributions shall be made from the trust fund to the project funds. If the balance of the trust fund is over five million dollars (\$5,000.0), then three percent (3%) shall be distributed evenly among the two project funds. If the market value of the trust fund grows so that four and seven-tenths percent (4.7%) of the five-year-average year-end balance exceeds five million dollars, then four and seven-tenths percent (4.7%) of the balance shall be distributed evenly among the two project funds.

SB 59 directs the land grant council (council), in consultation with DFA, to promulgate rules for providing infrastructure assistance to land grants-mercedes and to use such procedures to provide assistance and funding for qualified projects. In administering the land grant-merced infrastructure project fund, DFA shall consult with the council and may establish procedures and promulgate rules for managing the fund and project funding process. Land grants are required to apply to the council for funding from the land grant-merced infrastructure project fund prior to requesting capital outlay funding for a project.

SB 59 also directs the New Mexico interstate stream commission (commission), in consultation with DFA, to promulgate rules for providing infrastructure assistance to acequias and to use such procedures to provide assistance and funding for qualified projects. In administering the

acequia infrastructure project fund, DFA shall consult with the commission and may establish procedures and promulgate rules for managing the fund and project funding process. Acequias are required to apply to the commission for funding from the acequia infrastructure project fund prior to requesting capital outlay funding for a project.

The council and commission are required to provide an annual report on the project funds to the appropriate interim committee by October 1 and November 1 of each year, respectively.

Finally, SB 59 amends the Severance Tax Bonding Act to authorize the state board of finance to issue severance tax bonds to fund land grant-merced and acequia infrastructure projects selected and certified by the council and commission, respectively. For fiscal years 2027 through 2032, the state board for finance shall allocate 1.1% (one and one-tenth percent) of estimated bonding capacity to each of the project funds.

FISCAL IMPLICATIONS

There would be no fiscal implications to the New Mexico department of agriculture (NMDA).

Revenue estimate includes state board for finance allocating 1.1% of estimated bonding capacity to each of the acequia infrastructure fund and the land grant-merced infrastructure fund for fiscal years 2027 through 2032.

SIGNIFICANT ISSUES

New Mexico's acequias and agricultural communities they support are increasingly being threatened by catastrophic wildfires and diminished water supplies. These threats have driven up the funding needs for infrastructural repairs and improvements to sustain their operations. The recent impacts from the Hermits Peak/Calf Canyon Fire in Northern New Mexico alone have caused millions of dollars in damages to local acequias and resulted in the loss of multiple irrigation seasons in many cases. Due to their volunteer governance structure, lack of financial resources, and unique legal status, acequias face many challenges in accessing and administering state and federal funding assistance.

The New Mexico interstate stream commission administers the acequia and community ditch infrastructure fund (ACDIF), "to provide funding for the planning, engineering design or construction of irrigation works of acequias or community ditches, including dams, reservoirs, diversions, ditches, flumes or other appurtenances for the purposes of restoration, repair, disaster response recovery and hazard mitigation, improvement of irrigation efficiency, or protection from floods, and match or meet cost share requirements of other state and federal funding programs," (72-14-24.1 NMSA 1978). The ACDIF receives two-and-a-half million dollars (\$2,500.0) annually from the irrigation works construction fund.

Additionally, since 2019, the legislature has provided an annual average of just under five million dollars (\$5,000.0) in capital outlay funding to an average of 50 acequias (out of the state's 700+ acequias).

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

There would be no administrative implications to NMDA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates house bill 21 (HB 21), with some wording differences in the amendments to the Severance Tax Bonding Act.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB 59 is not enacted, the land grant-merced and acequia infrastructure trust fund, land grant-merced infrastructure project fund, and acequia infrastructure project fund will not be created. The land grant council and interstate stream commission will not gain any new authorities related to providing assistance and funding for infrastructure projects. The state board of finance will not administer severance tax bonds related to land grant-merced or acequia infrastructure projects.

AMENDMENTS

N/A