119TH CONGRESS	C	
1st Session	<b>5.</b>	

To amend the Taos Pueblo Indian Water Rights Settlement Act to facilitate implementation of the Taos Pueblo Indian Water Rights Settlement Agreement, and for other purposes.

## IN THE SENATE OF THE UNITED STATES

Mr. Luján (for himself and Mr. Heinrich) introduced the following bill; which was read twice and referred to the Committee on

## A BILL

- To amend the Taos Pueblo Indian Water Rights Settlement Act to facilitate implementation of the Taos Pueblo Indian Water Rights Settlement Agreement, and for other purposes.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,
  - 3 SECTION 1. SHORT TITLE.
  - 4 This Act may be cited as the "Taos Pueblo Indian
  - 5 Water Rights Settlement Amendments Act of 2025".

SEC	9	DEFINITIONS

2	Section 503 of the Taos Pueblo Indian Water Rights
3	Settlement Act (Public Law 111–291; 124 Stat. 3122) is
4	amended—
5	(1) in paragraph (1), by striking "and the New
6	Mexico Department of Finance and Administration
7	Local Government Division on behalf of";
8	(2) by redesignating paragraphs (3), (4), (5),
9	(6), (7), (8), (9), (10), (11), and (12) as paragraphs
10	(4), (5), (6), (7), (8), (10), (11), (12), (13), and
11	(14), respectively;
12	(3) by inserting after paragraph (2) the fol-
13	lowing:
14	"(3) MITIGATION WELL SYSTEM.—The term
15	'Mitigation Well System' means a system of wells,
16	pipelines, and treatment infrastructure to provide a
17	method for offsetting surface water depletion effects
18	to the stream segments identified in Article 7.3.3.1.9
19	of the Settlement Agreement."; and
20	(4) by inserting after paragraph (8) (as so re-
21	designated) the following:
22	"(9) PUEBLO TRUST FUNDS.—The term 'Pueb-
23	lo Trust Funds' means—
24	"(A) the Taos Pueblo Water Development
25	Fund established by subsection (a) of section
26	505;

1	"(B) the Taos Pueblo Groundwater Devel-
2	opment Supplemental Trust Fund established
3	by subsection (h) of that section; and
4	"(C) the Taos Pueblo Surface Water Shar-
5	ing Supplemental Trust Fund established by
6	subsection (i) of that section.".
7	SEC. 3. PUEBLO TRUST FUNDS.
8	(a) In General.—Section 505 of the Taos Pueblo
9	Indian Water Rights Settlement Act (Public Law 111–
10	291; 124 Stat. 3123) is amended—
11	(1) by striking the section heading and insert-
12	ing "PUEBLO TRUST FUNDS";
13	(2) in subsection (a)—
14	(A) in the subsection heading, by inserting
15	"of Taos Pueblo Water Development
16	Fund" after "Establishment"; and
17	(B) in the matter preceding paragraph (1),
18	by striking "(referred to in this section as the
19	'Fund')";
20	(3) in subsection (b)—
21	(A) by striking the subsection heading and
22	inserting "Management of Pueblo Trust
23	Funds"; and

1	(B) by striking "the Fund" each place it
2	appears and inserting "the Pueblo Trust
3	Funds";
4	(4) in subsection (c)—
5	(A) by striking the subsection heading and
6	inserting "Investment of Pueblo Trust
7	Funds";
8	(B) in the matter preceding paragraph (1),
9	by striking "the Fund" and inserting "the
10	Pueblo Trust Funds''; and
11	(C) by striking paragraph (3) and insert-
12	ing the following:
13	"(3) the Trust Fund Reform Act.";
14	(5) in subsection (d)—
15	(A) in the subsection heading, by striking
16	"Fund" and inserting "Taos Pueblo Water
17	DEVELOPMENT FUND"; and
18	(B) by striking "the Fund" and inserting
19	"the Taos Pueblo Water Development Fund es-
20	tablished by subsection (a)";
21	(6) in subsection (e)—
22	(A) by striking "the Fund" each place it
23	appears and inserting "the Pueblo Trust
24	Funds''; and

1	(B) in paragraph (2), by striking "speci-
2	fied in subsection (a)" and inserting "described
3	in subsections (a), (h)(2), and (i)(2), as applica-
4	ble'';
5	(7) in subsection (f), in the matter preceding
6	paragraph (1), by striking "the Fund" and inserting
7	"the Taos Pueblo Water Development Fund estab-
8	lished by subsection (a)";
9	(8) in subsection (g), by striking "the Fund"
10	and inserting "the Pueblo Trust Funds"; and
11	(9) by adding at the end the following:
12	"(h) Taos Pueblo Groundwater Development
13	SUPPLEMENTAL TRUST FUND.—
14	"(1) Establishment.—There is established in
15	the Treasury of the United States a fund, to be
16	known as the 'Taos Pueblo Groundwater Develop-
17	ment Supplemental Trust Fund' (referred to in this
18	subsection as the 'Groundwater Development Sup-
19	plemental Trust Fund'), consisting of—
20	"(A) amounts appropriated to the Ground-
21	water Development Supplemental Trust Fund
22	under section 509(l); and
23	"(B) any interest earned on investment of
24	amounts in the Groundwater Development Sup-
25	plemental Trust Fund under paragraph (3).

1 "(2) Use of funds.—The Pueblo may use 2 amounts in the Groundwater Development Supple-3 mental Trust Fund to pay or reimburse costs in-4 curred by the Pueblo to investigate, plan, permit, de-5 sign, engineer, construct, reconstruct, replace, reha-6 bilitate, operate, or repair groundwater production, 7 treatment, or delivery infrastructure consistent with 8 the Settlement Agreement. 9 "(3) Investment.—On deposit, the Secretary 10 shall invest amounts in the Groundwater Develop-11 ment Supplemental Trust Fund in accordance with 12 subsection (c). 13 "(4) Investment Earnings.—Any investment 14 earnings, including interest, credited to amounts in 15 the Groundwater Development Supplemental Trust 16 Fund are authorized to be used in accordance with 17 paragraph (2). 18 "(5) AVAILABILITY.—Amounts deposited in the 19 Development Groundwater Supplemental Trust 20 Fund pursuant to section 509(l), or from other au-21 thorized sources, shall be available to the Pueblo for 22 expenditure or withdrawal after the requirements of 23 subsection (e) have been met.

1	"(6) Management.—The Secretary shall man-
2	age the Groundwater Development Supplemental
3	Trust Fund in accordance with subsection (b).
4	"(7) Conditions for expenditure and
5	WITHDRAWAL.—All expenditures and withdrawals by
6	the Pueblo of funds in the Groundwater Develop-
7	ment Supplemental Trust Fund shall comply with
8	the requirements of subsection (e).
9	"(i) Taos Pueblo Surface Water Sharing Sup-
10	PLEMENTAL TRUST FUND.—
11	"(1) Establishment.—There is established in
12	the Treasury of the United States a fund, to be
13	known as the 'Taos Pueblo Surface Water Sharing
14	Supplemental Trust Fund' (referred to in this sub-
15	section as the 'Surface Water Sharing Supplemental
16	Trust Fund'), consisting of—
17	"(A) amounts appropriated to the Surface
18	Water Sharing Supplemental Trust Fund under
19	section 509(m); and
20	"(B) any interest earned on investment of
21	amounts in the Surface Water Sharing Supple-
22	mental Trust Fund under paragraph (3).
23	"(2) USE OF FUNDS.—The Pueblo may use
24	amounts in the Surface Water Sharing Supple-
25	mental Trust Fund to pay or reimburse costs in-

1	curred by the Pueblo to investigate, plan, permit, de-
2	sign, engineer, construct, reconstruct, replace, reha-
3	bilitate, operate, or repair surface water sharing in-
4	frastructure and gages to facilitate implementation
5	of Article 8.2 of the Settlement Agreement.
6	"(3) Investment.—On deposit, the Secretary
7	shall invest amounts in the Surface Water Sharing
8	Supplemental Trust Fund in accordance with sub-
9	section (e).
10	"(4) Investment earnings.—Any investment
11	earnings, including interest, credited to amounts in
12	the Surface Water Sharing Supplemental Trust
13	Fund are authorized to be used in accordance with
14	paragraph (2).
15	"(5) AVAILABILITY.—Amounts deposited in the
16	Surface Water Sharing Supplemental Trust Fund
17	pursuant to section 509(m), or from other author-
18	ized sources, shall be available to the Pueblo for ex-
19	penditure or withdrawal after the requirements of
20	subsection (e) have been met.
21	"(6) Management.—The Secretary shall man-
22	age the Surface Water Sharing Supplemental Trust
23	Fund in accordance with subsection (b).
24	"(7) Conditions for expenditure and
25	WITHDRAWAL.—All expenditures and withdrawals by

1	the Pueblo of amounts in the Surface Water Sharing
2	Supplemental Trust Fund shall comply with the re-
3	quirements of subsection (e).".
4	(b) CLERICAL AMENDMENT.—The table of contents
5	for the Claims Resolution Act of 2010 (Public Law 111-
6	291; 124 Stat. 3064) is amended by striking the item re-
7	lating to section 505 and inserting the following:
	"Sec. 505. Pueblo Trust Funds.".
8	SEC. 4. MUTUAL-BENEFIT PROJECTS.
9	Section 507 of the Taos Pueblo Indian Water Rights
10	Settlement Act (Public Law 111–291; 124 Stat. 3126) is
11	amended—
12	(1) in subsection (b)—
13	(A) in paragraph (1), by striking "in sub-
14	section (a)" and inserting "under subsections
15	(a) and (c)";
16	(B) in paragraph (2), by striking "shall"
17	and inserting "authorized under subsections (a)
18	and (c) shall"; and
19	(C) in paragraph (3), in the matter pre-
20	ceding subparagraph (A), by striking "section
21	509(e)(2)" and inserting "subsections $(e)(2)$ "
22	and (k) of section 509"; and
23	(2) by adding at the end the following:
24	"(c) Supplemental Funding for Mutual-ben-
25	EFIT PROJECTS.—

1	"(1) In General.—The Secretary, acting
2	through the Commissioner of Reclamation, shall pro-
3	vide financial assistance from funds made available
4	pursuant to section 509(k) to Eligible Non-Pueblo
5	Entities in the form of grants or financial assistance
6	agreements on a nonreimbursable basis or contracts
7	to plan, permit, design, engineer, and construct the
8	Mutual-Benefit Projects, including water treatment.
9	"(2) Eligibility.—To be eligible for funding
10	under paragraph (1), an Eligible Non-Pueblo Enti-
11	ty—
12	"(A) shall have applied for funding under
13	subsection (a) prior to the date that is 90 days
14	after the date of enactment of the Taos Pueblo
15	Indian Water Rights Settlement Amendments
16	Act of 2025; and
17	"(B) shall apply for funding under para-
18	graph (1) not later than 180 days after that
19	date of enactment.
20	"(3) Deadlines.—
21	"(A) IN GENERAL.—Grants, contracts, and
22	financial assistance agreements under para-
23	graph (1) shall be subject to the following dead-
24	lines, as applicable:

1	"(1) NON-MITIGATION WELL SYSTEM
2	PROJECTS.—Subject to subparagraph (B),
3	for each Mutual-Benefit Project that does
4	not include part of the Mitigation Well
5	System—
6	"(I) at least 10 percent of fund-
7	ing awarded under paragraph (1)
8	shall be expended not later than 3
9	years after the date on which that
10	funding is awarded;
11	"(II) construction of the Mutual-
12	Benefit Project shall be substantially
13	completed, as determined by the Com-
14	missioner of Reclamation, not later
15	than 6 years after the date on which
16	that funding is awarded; and
17	"(III) construction of the Mu-
18	tual-Benefit Project shall be fully
19	completed, as determined by the Com-
20	missioner of Reclamation, not later
21	than 8 years after the date on which
22	that funding is awarded.
23	"(ii) Mitigation well system.—
24	Subject to subparagraph (B), for each Mu-

1	tual-Benefit Project that includes part of
2	the Mitigation Well System—
3	"(I) at least 15 percent of fund-
4	ing awarded under paragraph (1)
5	shall be expended not later than 3
6	years after the date on which that
7	funding is awarded;
8	"(II) construction of the Mutual-
9	Benefit Project shall be substantially
10	completed, as determined by the Com-
11	missioner of Reclamation, not later
12	than 4 years after the date on which
13	that funding is awarded; and
14	"(III) construction of the Mu-
15	tual-Benefit Project shall be fully
16	completed, as determined by the Com-
17	missioner of Reclamation, not later
18	than 5 years after the date on which
19	that funding is awarded.
20	"(B) Extension.—The Commissioner of
21	Reclamation may, for good cause, extend a
22	deadline under clause (i) or (ii) of subpara-
23	graph (A) for the applicable grant, contract, or
24	financial assistance agreement.

1	"(C) Failure to comply with dead-
2	LINES.—If an Eligible Non-Pueblo Entity does
3	not comply with any deadline described in
4	clause (i) or (ii) of subparagraph (A), the Com-
5	missioner of Reclamation may—
6	"(i) terminate the grant, contract, or
7	financial assistance agreement; and
8	"(ii) require the Eligible Non-Pueblo
9	Entity to return unexpended funds.
10	"(4) Exceptions.—Notwithstanding para-
11	graphs (1) and (2), the Commissioner of Reclama-
12	tion may—
13	"(A) award funding returned under para-
14	graph (3)(C) or funding not yet disbursed to
15	the noncompliant Eligible Non-Pueblo Entity to
16	another Eligible Non-Pueblo Entity to plan,
17	permit, design, engineer, and construct any af-
18	fected portion of the Mitigation Well System or
19	another Mutual-Benefit Project;
20	"(B) on consent of the Pueblo and State,
21	contract with a third party to plan, permit, de-
22	sign, engineer, and construct any affected por-
23	tion of the Mitigation Well System with funding
24	returned under paragraph (3)(C) or not yet dis-

1	bursed to the noncompliant Eligible Non-Pueblo
2	Entity; and
3	"(C) award funding made available pursu-
4	ant to section 509(k) for alternative or interim
5	offset infrastructure under paragraph (5) if—
6	"(i) an Eligible Non-Pueblo Entity ob-
7	ligated to construct part of the Mitigation
8	Well System—
9	"(I) does not meet the eligibility
10	requirements under paragraph (2) for
11	the applicable part of the Mitigation
12	Well System by the dates described in
13	that paragraph;
14	"(II) is not awarded funding
15	under subsection (a) for the applicable
16	part of the Mitigation Well System by
17	the date that is 1 year after the date
18	of enactment of the Taos Pueblo In-
19	dian Water Rights Settlement Amend-
20	ments Act of 2025;
21	"(III) is not awarded funding
22	under this subsection for the applica-
23	ble part of the Mitigation Well System
24	by the date that is 18 months after
25	that date of enactment;

1	"(IV) does not commence con-
2	struction of the applicable part of the
3	Mitigation Well System by the date
4	that is 2 years after that date of en-
5	actment; or
6	"(V) does not comply with a
7	deadline described in paragraph (3);
8	and
9	"(ii) sufficient funding is available in
10	the Taos Settlement Mutual-Benefit
11	Projects Supplemental Fund established
12	under section 509(k)(3), as determined by
13	the Commissioner of Reclamation.
14	"(5) Alternative or interim offset infra-
15	STRUCTURE.—
16	"(A) In general.—
17	"(i) In General.—Notwithstanding
18	paragraphs (1) and (2), the Commissioner
19	of Reclamation may, pursuant to para-
20	graph (4)(C), provide financial assistance
21	from funds made available pursuant to sec-
22	tion 509(k) in the form of grants or finan-
23	cial assistance agreements on a nonreim-
24	bursable basis or contracts—

16

1	"(I) to another Eligible Non-
2	Pueblo Entity to plan, permit, design,
3	engineer, and construct alternative or
4	interim offset infrastructure off Pueb-
5	lo lands to offset surface water deple-
6	tion effects on the applicable stream
7	segments in accordance with a pro-
8	posal from an Eligible Non-Pueblo
9	Entity approved by the State, the
10	Pueblo, and the Secretary; and
11	"(II) to the Pueblo to plan, per-
12	mit, design, engineer, and construct
13	alternative or interim offset infra-
14	structure on Pueblo lands, to be
15	owned and operated by the Pueblo, to
16	offset surface water depletion effects
17	on the applicable stream segments in
18	accordance with a proposal from the
19	Pueblo approved by the State and the
20	Secretary.
21	"(ii) Limitation.—Notwithstanding
22	subsection (b)(2), no non-Federal cost
23	share shall be required for alternative or
24	interim offset infrastructure under clause
25	(i)(II).

1	"(B) Effect.—
2	"(i) In general.—Use of alternative
3	or interim offset infrastructure constructed
4	pursuant to subparagraph (A)(i) shall con
5	stitute compliance with requirements in the
6	Settlement Agreement for use of the Miti
7	gation Well System to offset surface water
8	depletions on the applicable stream seg
9	ments.
10	"(ii) Savings provision.—Nothing
11	in the amendments made by the Taos
12	Pueblo Indian Water Rights Settlemen
13	Amendments Act of 2025 precludes agree
14	ments among the Pueblo, the Secretary
15	the State, and affected parties to address
16	depletion offset obligations for the period
17	before the applicable Mitigation Well is
18	fully completed, permitted, and operating
19	"(d) Title to Property.—In no event shall the
20	Commissioner of Reclamation hold title to property ac
21	quired or constructed with funding made available pursu
22	ant to subsections (c)(2)(A) and (k) of section 509.".

SEC.	_			•

2	Section 509 of the Taos Pueblo Indian Water Rights
3	Settlement Act (Public Law 111–291; 124 Stat. 3128) is
4	amended by adding at the end the following:
5	"(k) Supplemental Funding for Mutual-ben-
6	EFIT PROJECTS.—
7	"(1) Mandatory appropriation.—Out of any
8	funds in the Treasury not otherwise appropriated,
9	the Secretary of the Treasury shall transfer to the
10	Secretary to award funding pursuant to section
11	507(c) \$161,000,000, as adjusted pursuant to para-
12	graph (2).
13	"(2) Fluctuation in costs.—
14	"(A) IN GENERAL.—The amount under
15	paragraph (1) shall be adjusted by such
16	amounts as may be justified—
17	"(i) by reason of changes since July
18	2025 in construction costs, as indicated by
19	the Bureau of Reclamation Construction
20	Cost Index-Composite Trend; and
21	"(ii) to address construction cost
22	changes necessary to account for unfore-
23	seen market volatility that may not other-
24	wise be captured by engineering cost indi-
25	ces applicable to the types of construction
26	involved, as determined by the Secretary,

1	including repricing applicable to the types
2	of construction and current industry stand-
3	ards involved.
4	"(B) Repetition.—The adjustment proc-
5	ess under this paragraph shall be repeated for
6	each subsequent amount appropriated until the
7	amount authorized, as adjusted, has been ap-
8	propriated.
9	"(C) Period of indexing.—The period
10	of indexing adjustment under this paragraph
11	for any increment of funding shall end on the
12	date on which the relevant funding is awarded,
13	but in no event shall funds be indexed later
14	than 10 years after the date of enactment of
15	the Taos Pueblo Indian Water Rights Settle-
16	ment Amendments Act of 2025.
17	"(3) Deposit in fund.—The Secretary shall
18	deposit the funds made available pursuant to para-
19	graph (1) in a noninterest-bearing fund, to be
20	known as the 'Taos Settlement Mutual-Benefit
21	Projects Supplemental Fund', to be established in
22	the Treasury of the United States so that such
23	funds may be made available to carry out section
24	507(e).

1	"(l) Taos Pueblo Groundwater Development
2	SUPPLEMENTAL TRUST FUND.—
3	"(1) Mandatory appropriation.—Out of any
4	funds in the Treasury not otherwise appropriated
5	the Secretary of the Treasury shall transfer to the
6	Secretary for deposit in the Taos Pueblo Ground
7	water Development Supplemental Trust Fund estab
8	lished by section 505(h) (referred to in this sub
9	section as the 'Groundwater Development Supple
10	mental Trust Fund') \$190,000,000, as adjusted pur
11	suant to paragraph (2).
12	"(2) Fluctuation in costs.—
13	"(A) IN GENERAL.—The amount under
14	paragraph (1) shall be adjusted by such
15	amounts as may be justified—
16	"(i) by reason of changes since July
17	2025 in construction costs, as indicated by
18	the Bureau of Reclamation Construction
19	Cost Index-Composite Trend; and
20	"(ii) to address construction cos
21	changes necessary to account for unfore
22	seen market volatility that may not other
23	wise be captured by engineering cost indi
24	ces applicable to the types of construction
25	involved, as determined by the Secretary

1	including repricing applicable to the types
2	of construction and current industry stand-
3	ards involved.
4	"(B) Repetition.—The adjustment proc-
5	ess under this paragraph shall be repeated for
6	each subsequent amount appropriated until the
7	amount authorized, as adjusted, has been ap-
8	propriated.
9	"(C) Period of indexing.—The period
10	of indexing adjustment under this paragraph
11	for any increment of funding shall end on the
12	date on which the amount under paragraph (1)
13	is deposited in the Groundwater Development
14	Supplemental Trust Fund.
15	"(m) Taos Pueblo Surface Water Sharing Sup-
16	PLEMENTAL TRUST FUND.—
17	"(1) Mandatory appropriation.—Out of any
18	funds in the Treasury not otherwise appropriated,
19	the Secretary of the Treasury shall transfer to the
20	Secretary for deposit in the Taos Pueblo Surface
21	Water Sharing Supplemental Trust Fund estab-
22	lished by section 505(i) (referred to in this sub-
23	section as the 'Surface Water Sharing Supplemental
24	Trust Fund') \$16,000,000, as adjusted pursuant to
25	paragraph (2).

1	"(2) Fluctuation in costs.—
2	"(A) IN GENERAL.—The amount under
3	paragraph (1) shall be adjusted by such
4	amounts as may be justified—
5	"(i) by reason of changes since July
6	2025 in construction costs, as indicated by
7	the Bureau of Reclamation Construction
8	Cost Index-Composite Trend; and
9	"(ii) to address construction cost
10	changes necessary to account for unfore-
11	seen market volatility that may not other-
12	wise be captured by engineering cost indi-
13	ces applicable to the types of construction
14	involved, as determined by the Secretary,
15	including repricing applicable to the types
16	of construction and current industry stand-
17	ards involved.
18	"(B) Repetition.—The adjustment proc-
19	ess under this paragraph shall be repeated for
20	each subsequent amount appropriated until the
21	amount authorized, as adjusted, has been ap-
22	propriated.
23	"(C) Period of Indexing.—The period
24	of indexing adjustment under this paragraph
25	for any increment of funding shall end on the

1	date on which the amount under paragraph (1)			
2	is deposited in the Surface Water Sharing Sup			
3	plemental Trust Fund.".			
4	SEC. 6. DISCLAIMERS.			
5	(a) Conditions Precedent.—Nothing in this Act			
6	shall be construed to affect—			
7	(1) the previous satisfaction of the conditions			
8	precedent in subsection (f)(2) of section 509 of the			
9	Taos Pueblo Indian Water Rights Settlement Act			
10	(Public Law 111–291; 124 Stat. 3128); or			
11	(2) the validity of the finding published by the			
12	Secretary of the Interior in the Federal Register on			
13	October 7, 2016, pursuant to subsection (f)(1) of			
14	that section that those conditions precedent were			
15	fully satisfied.			
16	(b) Settlement Agreement; Partial Final De-			
17	CREE.—			
18	(1) Definitions.—In this subsection, the			
19	terms "Partial Final Decree" and "Settlement			
20	Agreement" have the meanings given those terms in			
21	section 503 of the Taos Pueblo Indian Water Rights			
22	Settlement Act (Public Law 111–291; 124 Stat.			
23	3122).			
24	(2) Disclaimers.—Nothing in this Act, the			
25	Taos Pueblo Indian Water Rights Settlement Act			

1	(Public Law 111–291; 124 Stat. 3122), or the Set-
2	tlement Agreement shall be construed to require—
3	(A) an amendment of the Settlement
4	Agreement or the Partial Final Decree for the
5	Secretary of the Interior to carry out this Act;
6	or
7	(B) use of the project modification or fail-
8	ure process in Article 13.3 of the Settlement
9	Agreement for alternative or interim offset in-
10	frastructure funded under subsection (c)(5) of
11	section 507 of the Taos Pueblo Indian Water
12	Rights Settlement Act (Public Law 111–291;
13	124 Stat. 3126).