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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 128

SHORT TITLE: Public Land Disclosure & Accountability Act

SPONSOR: Maestas

LAST UPDATE: _____ **ORIGINAL DATE:** 2/3/2026 **ANALYST:** Hanika-Ortiz

APPROPRIATION*

(dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$100.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Public Agency inventories	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal		Recurring	General Fund
DFA database build-out	No fiscal impact	\$60.0	No fiscal impact		Nonrecurring	General Fund
DFA 0.5 FTE to manage website	No fiscal impact	\$40.0	\$40.0		Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agencies That Were Asked for Analysis but did not Respond

Department of Finance and Administration

General Services Department

SUMMARY

Synopsis of Senate Bill 128

Senate Bill 128 (SB128) enacts the Public Land Disclosure and Accountability Act (Act) to provide regular disclosures on use of public lands and mandates the sale of vacant and underutilized land for economic development, to expand the state tax base, and provide housing. Under the proposed bill, "underutilized" means parcels with physical structures or infrastructure not in use; and "vacant" means parcels without physical structures or infrastructure not in use.

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For FY28, and every two years, public agencies shall provide the Department of Finance and Administration (DFA) with a land inventory report that DFA will compile, make searchable and post online. The report includes the legal description, date acquired, and current or intended use.

A public agency would be required to dispose of property in metropolitan areas that have been vacant or underused for five years or longer and that the agency has no intent to use or develop. Contracts will include terms that the buyer must start development, obtain permits, and begin construction within one year. If requirements are not met, the property title reverts back to the agency, the buyer forfeits interest, and the buyer agrees to hold the state harmless from claims that arise during the transition. Under a reversion, the buyer would be reimbursed for their purchase.

Finally, each year, the bill requires the Department of Finance and Administration (DFA) to monitor compliance with the bill's provisions and report noncompliance issues to the Legislative Council Service for follow-up. Other than this provision in the bill, there are no other sanctions for noncompliance.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The proposed Act mandates the sale of vacant and underutilized public property. State law already allows agencies and schools to sell real property if declared surplus, there is a recent fair market appraisal, and if the agency follows approval processes with the appropriate authority. For an executive agency, property must also be first offered to another public agency before public sale. If a school, the sale must also be approved by its board. Proceeds are used only for school purposes.

SB128 appropriates \$100 thousand from the general fund to DFA to build a searchable database and monitor the real property inventories submitted by public agencies. Any unexpended balance remaining at the end of FY27 shall revert to the general fund. Beyond FY27, DFA could work with the Department of Information Technology to staff and maintain the database. Using their own funds, public agencies including municipalities and counties, would send DFA inventories.

SIGNIFICANT ISSUES

The bill suggests that public agencies own parcels in metropolitan areas that are vacant or underused, which may result in lost opportunities to increase the tax base, and available housing.

ADMINISTRATIVE IMPLICATIONS

SB128 requires administrative rulemaking to ensure public agencies collect inventories according to rules and procedures that DFA develops, and disposes of surplus real property lawfully.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Agencies will follow their respective statutory requirements for property sales and transfers.

AHO/SEC/dw/ct