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FISCAL IMPACT REPORT

SPONSOR Dow/ Powdrell-Culbert ORIGINAL DATE 02/12/18 LAST UPDATED _____ HB _____

SHORT TITLE Ft. Bayard Property Transfer HJR 12

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See fiscal impact				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Joint Resolution 12 (HJR 12) authorizes the partial transfer of the property comprising the old Fort Bayard facility from GSD to the village of Santa Clara contingent upon an agreement that if the village decides the property is no longer needed by the village, then the property with all improvements, at no cost to the state, may be reconveyed by the village back to the state.

Further, HJR 12 provides that the transfer is also contingent upon review and approval by both the Capital Buildings Planning Commission (CBPC) and State Board of Finance (SBOF).

FISCAL IMPLICATIONS

As the new owner, the village will assume responsibility for preserving the property as a historical facility and maintaining several buildings currently being used by the Department of Health (DOH) at no cost to the state as well as keep appropriate insurance coverages in place.

GSD notes the transfer would decrease operating expenses to maintain the facility by DOH.

SIGNIFICANT ISSUES

By passing this resolution, the Legislature is delegating authority to complete the property donation to GSD subject to approval by the CBPC and SBOF. GSD would also consider a long-term lease with the village for certain water rights, contingent on the village being responsible for all costs regarding installation of the water meter and reporting. The bill excludes from the property being transferred certain equipment and personal property including buildings, water tanks, unoccupied houses, cemeteries and water springs. The bill also protects a variety of state and federal government easements and rights-of-way for water lines and public property access.

Under New Mexico state law, state agencies and other public bodies may sell or otherwise convey real property, subject to certain requirements. See Section 13-6-2 to -3 NMSA 1978. If the term of any sale, trade or lease exceeds twenty-five years and is for a consideration of \$100 thousand or more, the sale, trade or lease must be approved by the Legislature in advance.

PERFORMANCE IMPLICATIONS

SBOF has rules for approving property donations that can be incorporated into CBPC processes.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 71 and SJM 23 both relate to the transfer of the old Fort Bayard property to the village. The boundaries of the property to be transferred as described in the bill and the memorial have not been agreed to by GSD. However, GSD reports that HJR 12 differs in that the state is defining conditions of the transfer including the need to validate property boundaries by both parties.

OTHER SUBSTANTIVE ISSUES

GSD notes that DOH is using several buildings on the campus and these structures must remain in state ownership or be leased back to DOH to support its mission at the new medical center.

GSD continues to work with the federal Veterans Administration on expanding the cemetery on the Fort Bayard campus and the transfer should not disturb those future expansion plans.

DOH wants some of the property across from the new Fort Bayard medical center reserved for expansion. They also want to maintain control of the pauper cemetery and accompanying land.

GSD should continue to own the land where the water tanks are located and have access to those tanks and sources of water as well as to water lines or line easements and access to tanks.

QUESTIONS

How much does DOH currently pay to maintain the old Fort Bayard facility and property?

Are water resources adequate to develop the property and service the medical center?

Given the property's historical significance, does the community have sufficient resources to preserve and secure the property long-term and develop the property to generate revenue?

AHO/al