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## FISCAL IMPACT REPORT

SPONSOR García, M.P. DATE TYPED 3/1/05 HB 1054

SHORT TITLE Community Land Grant Surveys and Title Research SB \_\_\_\_\_

ANALYST Medina

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$50.0	Unexpended balance of the appropriation	Minimal	Unknown	Recurring*	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\* See Fiscal Implications

Relates to Senate Joint Memorial 10 of the First Session of the Forty-Sixth Legislature

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Commission of Public Records

### SUMMARY

#### Synopsis of Bill

House Bill 1054 appropriates \$50.0 from the general fund to the Commission of Public Records for the purpose of performing and contracting for the services necessary to continue the survey of state-owned property located within former common lands of community land grants initiated by Senate Joint Memorial 10 of the 2004 Legislative Session. The bill and the appropriation contained are also intended for the purpose of beginning research on the chain of title of those properties and providing the Legislature with an estimate of the cost of completing the survey and research.

#### Significant Issues

Senate Joint Memorial 10 of the First Session of the Forty-Sixth Legislature requested that the Office of Cultural Affairs and the Office of the Attorney General, in connection with other federal or state agencies, conduct a study to determine the extent to which lands that were formally part of the common lands of a land grant (*merced*) now belong to the state and how the land was

obtained or acquired by the state. The joint memorial also resolved that, if the facts show that land that was once a part of the common lands of a land grant (*merced*) was obtained through dishonest, unjust or illegal means and is now owned by the state, the Office of Cultural Affairs and the Attorney General determine what actions are required for the land to be returned to the heirs of the land grant (*merced*).

### **FISCAL IMPLICATIONS**

The appropriation of \$50.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

#### Continuing Appropriations

While the appropriation is non-recurring, it also implies that it can be considered a recurring appropriation due to the expectation that it will continue in future years.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas of the recommendation. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

### **ADMINISTRATIVE IMPLICATIONS**

The agency contends that most of the work needed to be performed under the provisions of this bill would be performed by consultants, especially the chain of title research. According to the agency, the chain of title research requires expertise not available in-house.

### **TECHNICAL ISSUES**

The agency does not believe that the appropriation contained will be sufficient to complete the survey and the title research, but notes that language in the bill requiring the agency to provide the Legislature with an estimate of the cost required to complete the work addresses this concern.

### **OTHER SUBSTANTIVE ISSUES**

The agency notes that should the results of the survey and research be used to return improperly acquired common lands (pursuant to the intent of SJM 10) or to provide for preferential acquisition of state lands, there could potentially be adverse fiscal implications for state agencies holding title to those lands. Any revenue generated from affected lands would also be affected.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

The survey initiated pursuant to SJM 10 of the 2004 Legislative Session will remain incomplete, and the associated title research will be deferred.

**DXM/lg**