

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Campos **ORIGINAL DATE** 2-6-06
LAST UPDATED 2-6-06 **HB** _____
SHORT TITLE White Peak Area Land Purchase **SB** 700
ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
NFI	\$15,000.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
 Department of Finance and Administration (DFA)
 State Land Office (SLO)

SUMMARY

Synopsis of Bill

Senate Bill 700 makes an appropriation for the purchase of land in the White Peak area. Specifically, the legislation seeks to appropriate \$15,000,000 from the general fund to the State Land Office for expenditure in fiscal years 2007 and 2008 for the purchase of approximately twelve thousand acres of the Stanley ranch in the White Peak area in Mora and Colfax counties, contingent on a purchase agreement between the state land office and the owner of the land. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

The State Land Office (SLO) indicates that the White Peak area near the Mora-Colfax County line in Northern New Mexico has been a site of competing interests over land use between private landowners and hunters, primarily over access to and use of state trust land. Complex land ownership patterns characterize the area; roughly half of which is private land, the other half is state trust land. Access to much of the state trust land requires traveling through or across private

property, and there is disagreement regarding the status of roads used to access trust land throughout the area. Consequently, the area has been the subject of land use conflict, continuing law enforcement challenges and resource management concerns.

PERFORMANCE IMPLICATIONS

SLO notes that the land office would engage in negotiations and related efforts to purchase the various properties. Those efforts would include appraisals, due diligence, purchase contract development, title work and other related document preparation and filing. The land office has expertise for conducting such transactions, but certain elements would require specific contractors. The bill would require an appropriation to support these contractors and transaction costs.

FISCAL IMPLICATIONS

If acquired as state trust land SLO suggests that the Land Office would realize increased revenues resulting from the net increase in acreage, thus increasing distributions to designated beneficiaries. Consolidated ownership could provide enhanced revenues through marketing and managing select land uses.

The State Land Office and other agencies will need to expend budget, primarily in the form of salaries, benefits and travel for the purchase and subsequent joint resource planning and management should the purchase succeed. Projected costs are undetermined at this point. The purchase and certain transaction efforts will be supported by the appropriation.

ADMINISTRATIVE IMPLICATIONS

Acquisition of the property may reduce the level of effort expended by state agencies dealing with access conflict, resource allocation and use, and enforcement. SLO suggests it will incur administrative responsibilities related to purchase negotiations, appraisal, due diligence, contract preparation and title work.

BW/nt