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FISCAL IMPACT REPORT

| | | |
|-----------------------------------|---------------------------------|--------------------------------|
| | ORIGINAL DATE 2-11-06 | |
| SPONSOR <u>Sanchez, M.</u> | LAST UPDATED _____ | HB _____ |
| | VALENCIA COUNTY COURTHOUSE LAND | |
| SHORT TITLE <u>LEASE</u> | | SJR <u>10</u> |
| | | ANALYST <u>Hadwiger</u> |

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Non-Rec | Fund Affected |
|-------------------|---------|------|-------------------------|----------------------------------|
| FY06 | FY07 | FY08 | | |
| | \$100.0 | | Recurring | Property Control Reserve Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

SUMMARY

Synopsis of Bill

Senate Joint Resolution 10 would authorize the General Services Department (GSD) to lease about ten acres at the southwest corner of state road 314 and Morris Road in Los Lunas to Valencia County for a period not exceeding 99 years to construct a new county courthouse. This would supersede HJR 16 of the first session of the 47th legislature that authorized GSD to lease land for the new courthouse at the Los Lunas Medical Center.

FISCAL IMPLICATIONS

GSD did not provide an estimate of the revenues to be generated from the proposed lease. Statute only requires that leases for \$100 thousand or more be approved by the legislature, so the fiscal impact assumes this as a minimum amount over the life of the lease.

SIGNIFICANT ISSUES

Section 13-6-3 NMSA 1978 requires that any sale, trade or lease for a period exceeding 25 years in duration of real property belonging to any state agency, which sale, trade or lease shall be for a consideration of \$100 thousand or more, shall be subject to the ratification and approval of the

Senate Joint Resolution 10 – Page 2

state legislature prior to the sale, trade or lease becoming effective.

GSD explained that Valencia County has funding to build the new courthouse, and this long-term lease of state-owned land will allow the project to proceed to construction. The proposed site has been agreed to by the appropriate state and local governmental entities.

DH/mt