

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

ORIGINAL DATE 2-10-06

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Labor Department Land Sales SJR 14

ANALYST Hadwiger

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Indeterminate				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

No agency comments had been received at the time this FIR was prepared.

### SUMMARY

#### Synopsis of Bill

Senate Joint Resolution 14 authorizes the Property Control Division of the General Services Department (GSD) to sell state-owned land at 3235 South Halagueno in Carlsbad, 600 West Arrington in Farmington, 301 West De Vargas Street in Santa Fe and at South Alameda in Las Cruces for amount no less than the appraised value established by the Taxation and Revenue Department. The County of Santa Fe would have the right of first refusal to purchase the Santa Fe property. GSD would consult with the U.S. Department of Labor as to the disposition of sale proceeds.

### FISCAL IMPLICATIONS

The proposed transactions would result in additional revenues from the sale of the properties. It is not clear what restrictions would be placed on the revenues due to the source of funding to purchase and construct these buildings. Under the Reed Act, the federal government may retain equity in the buildings and may constrain use of these revenues. The resolution includes a requirement to consult with U.S. DOL prior to using sale proceeds.

To the extent that a land sale facilitates consolidation of the operations from DOL, HSD or other agencies into one-stop centers, the resolution may result in lower cost for state agencies for utilities and maintenance of other buildings and would improve access to state services.

**SIGNIFICANT ISSUES**

Section 13-6-3 NMSA 1978 requires that sale or trade of state property valued in excess of \$100 thousand requires legislative approval.

This resolution may be premature. GSD indicates that no plan has been developed to relocate the Department of Labor offices in these locations or to consolidate operations from other state agencies. The resolution only authorizes the sale of the property, so it leaves flexibility that transactions would not proceed until a plan is in place.

**OTHER SUBSTANTIVE ISSUES**

Proponents of this bill should assure that an integrated strategy for creating and locating the one-stop centers will be developed prior to initiating efforts to sell the present buildings.

DH/yr