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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/13

SPONSOR Ingle LAST UPDATED _____ HB _____

SHORT TITLE Renovation & Construction of State Offices SB 572

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
(\$2,300.0)		Nonrecurring	Property Control Reserve Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			(\$532.1)		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)
 Administrative Office of the Courts (AOC)
 Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

Senate Bill 572 amends the Property Control Act to allow the Property Control Division (PCD) within the General Services Department (GSD) upon appropriation from the legislature to use monies from the property control reserve fund to renovate or plan the construction or renovation of state office buildings throughout the state. Currently, Section 15-3B-20 allows monies in the fund to be used only to purchase or construct state office buildings in Santa Fe.

The bill also appropriates \$2.3 million from the property control reserve fund to the PCD in FY13 and subsequent fiscal years for the purchase and renovation and plans for the renovation of a state office building and accompanying land in Bernalillo County.

The bill contains an emergency clause, making it effective upon the governor's signature.

FISCAL IMPLICATIONS

The appropriation of \$2.3 million contained in this bill is a nonrecurring expense to the property control reserve fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the property control reserve fund.

The New Mexico Corrections Department (NMCD) would save over \$500,000 per year if the following leases for its probation and parole offices were terminated:

- 1) Monte Vista NE; rent is \$184,250 per year
- 2) Gold Avenue; rent is \$347,847 per year

As of now, the balance in the property control reserve fund is \$3.8 million.

SIGNIFICANT ISSUES

The GSD notes that the state must take advantage of opportunities to acquire buildings to meet the state's needs for office space and alleviate relying on leased space. The state currently leases over 900,000 square feet of office space in Bernalillo County. There is an immediate need to relocate the NMCD probation and parole offices in Bernalillo County into a single building away from neighborhoods and schools.

The NMCD reports that the leases are up, the space allows no more room for growth and the buildings are in poor condition.

OTHER SUBSTANTIVE ISSUES

The GSD further notes that probation and parole offices are difficult to place in communities due to the nature of the business conducted on site. Zoning ordinances often restrict where these offices are located. Neighborhoods are historically against probation and parole offices being located within close proximity to their neighborhood and neighborhood schools.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Monies from the property control reserve fund may not be used to renovate state office buildings outside of Santa Fe, only to acquire or construct new ones in Santa Fe.

AHO/svb