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FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 02/04/16
LAST UPDATED 02/05/16 HB _____

SHORT TITLE Las Vegas Land Transfer SJR 13/aSRC

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY16 | FY17 | FY18 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|----------------------|------|----------------------|------------------------------|------------------|
| Total | | See Fiscal Impact | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee Amendment provides that approval of the donation is contingent upon agreement by the parties to include a reversion clause in the conveyance document.

Synopsis of Bill

Senate Joint Resolution 13 asks the Legislature to ratify and approve the donation and transfer of state-owned real property located at 301 Mills Avenue in Las Vegas, New Mexico from the GSD's Facilities Management Division to the City of Las Vegas.

FISCAL IMPLICATIONS

GSD and the City will need to work out the details regarding costs to transfer the property.

The state-owned real property being donated has a value in excess of \$100 thousand.

Section 13-6-3 NMSA 1978 requires any sale, trade or lease of state-owned real property worth \$100 thousand or more or leases longer than 25 years be approved by the legislature in advance.

The State Board of Finance defines "sale, trade or lease" as any disposition, including donation.

SIGNIFICANT ISSUES

The property is occupied by the City of Las Vegas per a long-term lease agreement with GSD.

The City of Las Vegas initially donated the property to the state to house a state agency.

The City of Las Vegas desires the property back as a location for its city governmental offices.

GSD has indicated that it has no future plans for the property and has determined that it would be in the best interest of the State for the property to be transferred.

SJR 13 is asking the Legislature to delegate the authority to complete the transaction to GSD. If the Legislature wishes to impose additional expectations upon the terms of this transaction, it should communicate those expectations through contingencies and requirements.

PERFORMANCE IMPLICATIONS

Section 13-6-2 NMSA 1978 provides that a state agency may sell or otherwise dispose of real property by negotiated sale or donation to a local public body.

ADMINISTRATIVE IMPLICATIONS

A survey and appraisal must be done and the paperwork required for a new deed to be recorded.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates House Joint Resolution 15

TECHNICAL ISSUES

The joint resolution does not contain a reversion clause that will require the properties to revert back to the State if no longer of use by the City of Las Vegas.

It would be helpful for the Legislature to see a letter of support from the City of Las Vegas.

DFA notes it cannot verify the legal description. However, the GSD did not indicate there was a problem with the legal description in the resolution in its agency analysis of the resolution.

OTHER SUBSTANTIVE ISSUES

The same property was proposed for disposition during the 2014 and 2015 legislative sessions.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The property will continue to be owned by GSD and leased from GSD by the City of Las Vegas.

AHO/jle/al/jo