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FISCAL IMPACT REPORT

	ORIGINAL DATE 2-4-06		
SPONSOR Griego	LAST UPDATED 2/06/06	HB	
	SANTA FE LABOR DEPT. BUILDING		
SHORT TITLE APPRAISAL		SB 563	
		ANALYST Hadwiger	

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$25.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)
Department of Labor (DOL)

SUMMARY

Synopsis of Bill

Senate Bill 563 appropriates \$25 thousand from the general fund to the Property Control Division (PCD) of the General Services Department (GSD) in FY07 to conduct a fair market appraisal of the Labor Department Employment Security Office Building on De Vargas street in Santa Fe.

FISCAL IMPLICATIONS

The appropriation of \$25 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

GSD offered the following background:

- PCD/GSD was authorized to sell the property at 301 W. De Vargas by Laws 2004, House Joint Resolution 12, and Laws 2004, Chapter 63 appropriated the sale proceeds to acquire a new facility to house DOL programs in Santa Fe.

- The property was appraised late summer of 2005 at approximately \$2.6 million.
- The determination of whether to relocate the DOL office and sell the property has not yet been finalized. If the property is sold in FY 2007, the money would be used to update the 2005 appraisal.

ADMINISTRATIVE IMPLICATIONS

DOL noted that their agency must seek approval from the U.S. Department of Labor to sell this building. More importantly, there are laws and regulations set for by the U.S. Department of Labor in the use of funds acquired as a result of such sale. Such funds must be used for the purchase of property to house Department of Labor staff who are providing Department of Labor services. These funds cannot be used to pay for rent.

ALTERNATIVES

DOL suggested that the language in this bill should be expanded to allow for an appraisal to be conducted for other DOL buildings, which DOL would identify and work with PCD/GSD.

DH/mt