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FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/11
 LAST UPDATED 03/04/11 **HB** _____

SPONSOR SCONC

SHORT TITLE Publication of Certain State Lands Documents **SB** CS/53/aSJC

ANALYST Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	NFI	*	*	*	Recurring	Land Maintenance Fund

(Parenthesis () Indicate Expenditure Decreases)

*See Fiscal Implications

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 Department of Information Technology (DoIT)
 State Land Office (SLO)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Committee Amendment to Senate Bill 53 revises the title and contents of the bill to clarify that its provisions apply to all sales and exchanges of state lands by the Commissioner of Public Lands and all leases of state lands for real estate planning or development purposes by the Commissioner of Public Lands.

Synopsis of Original Bill

The Senate Conservation Committee Substitute for Senate Bill 53 requires notification to the public by the Commissioner of Public Lands for every sale, exchange and lease of state land for real estate planning and development purposes at least thirty days prior to the close of the proposed action. The notice must be published on the SLO's website and via a link on the state's sunshine portal. The notice would include the appraised value of land, a summary of any SLO internal review of the appraisal, an explanation of the improvement value credit (IVC), the current use of the land, the current lease revenue, the Commissioner's justification for the proposed action, and any other elements that influenced the decision to sell, exchange or lease.

The bill also requires the SLO within 30 days after the termination of this type of lease to publish notice on the SLO website both before and after appraised values for that lease and a summary of any SLO internal review of the post-lease appraisal.

The provisions of the bill apply to all of these types of transactions entered into by the Commissioner beginning July 1, 2011.

FISCAL IMPLICATIONS

The DoIT presents two scenarios of the fiscal implications of SB 53:

Scenario 1:

If DoIT is requested to provide a “one time link” on the sunshine portal to the existing SLO web site for information related to the sale, exchange or lease of state land for real estate planning or development purposes, then no effort is anticipated. The sunshine portal currently has a link to the main SLO website. Users seeking such information from the sunshine portal are informed and directed via a website hyperlink to the SLO main web site.

Scenario 2:

On the other hand, DoIT could be requested to provide “real time” or “updated” links to SLO transactions thirty days prior to the execution of a conveyance for a sale, exchange or lease of state land for real estate planning or development purposes. In this scenario, the sunshine portal will have to be updated regularly with links to dynamic SLO web pages to access such information. This would involve a new administrative function of keeping the links up to date and communication/administrative activities with the SLO. The fiscal implication of this scenario is anticipated to be minimal but the estimated cost would depend on attributes such as volume of such transactions in a given year, frequency of link updates, the time period for which a link has to be active on the portal and the process for managing old links, which could demand a combination of state FTE and/or contractor time.

No fiscal implication is anticipated in Scenario 1. To determine the impact of Scenario 2 would require further research to develop an estimated cost, which at this time is anticipated to be minimal.

SIGNIFICANT ISSUES

This bill may be in response to certain real estate transactions entered into by the Commissioner in the past, including the White Peaks exchanges that in late January 2011 were ordered by the New Mexico Supreme Court to be cancelled because they violated the requirements of the Enabling Act.

No responding agency reports any significant issues with this substitute.

PERFORMANCE IMPLICATIONS

While SLO notes that creating the internal controls necessary to assure notice are provided in a timely manner will be necessary, it will not be difficult.

TECHNICAL ISSUES

The DoIT recommends replacing “on” in line 11 of page 3 with “from”.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The AGO notes there will be no public notice of many of the SLO’s decisions and analyses.

MD/svb:mew