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FISCAL IMPACT REPORT

SPONSOR SJC ORIGINAL DATE 1/27/19
 LAST UPDATED 2/21/19 HB _____

SHORT TITLE Historic Preservation & State Land Projects SB 219/SPACS/SJCS

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)
 Department of Transportation (DOT)
 New Mexico Finance Authority (NMFA)
 State Land Office (SLO)

No Response Received From

General Services Department (GSD)

SUMMARY

Synopsis of Bill

The Senate Judiciary Committee substitute for Senate Public Affairs Committee substitute for Senate Bill 219 requires consultation between state and local governments for construction or renovation on the exterior of state buildings in local historic districts regardless of what funding is being used for the construction project.

FISCAL IMPLICATIONS

While the General Services Department did not respond to a request for analysis of the substitute bill, in the analysis of the original bill the agency reported that, should a new building be planned, altered, or demolished, the local ordinance requirements could increase the cost of designed/construction significantly. Additionally, the timeline for projects may increase because the project would be prolonged by the review process.

The fiscal impact of this legislation is marked as indeterminate and is likely to be minimal. The State Land Office has not determined the amount of state trust land in historic districts, but it is believed to be limited.

SIGNIFICANT ISSUES

The State Land Office reports the following:

The State Land Office has not determined the amount of state trust land located in historic districts, but it is believed to be limited. Most significantly, the state land office in 2016 acquired the Garrett's Desert Inn property in the historic district in downtown Santa Fe and in 2018 entered into a long-term lease with the current operator of the motel. Under the bill, the design of any redevelopment of that property and other state trust lands located in historic districts would be subject to local government consultation and public review as previously established for state capital outlay projects.

OTHER SIGNIFICANT ISSUES

The State Land Office suggests the following:

Because of the uncertainty as to how the state land office would comply with the design review and consultation provisions in the bill as they would relate to a lessee construction or renovation project, the state land office believes that imposing the compliance obligation on the lessee would be a more practicable and effective way of achieving the objective of subjecting such projects to historic district ordinances. This could be done by adding a subparagraph to subsection J stating as follows:

Any lessee of lands held in trust by the state pursuant to the Enabling Act shall be subject to the state agency obligations and restrictions imposed by this section. Nothing contained in this section shall alter, change, restrict or diminish the rights, powers and duties of the commissioner of public lands in the administration, management, care and control of state trust lands as provided for by the Enabling Act and other applicable state statutes.