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FISCAL IMPACT REPORT

SPONSOR:	Stell	DATE TYPED:	02/11/00	HB	HJM72
SHORT TITLE:	State Compensation For Land Trades Or Sales			SB	
				ANALYST:	Pickering

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

State Land Office (SLO)

SUMMARY

Synopsis of Bill

HJM72 declares the legislature's opposition to the contemplated withdrawal of the U.S. Bureau of Land

Management ("BLM") from approximately nine thousand acres of federal surface and minerals underlying private surface in Eddy county. Furthermore, the memorial opposes this withdrawal unless the federal government agrees to adequately compensate the state, affected local governments and public schools through either direct payments or an acre-for-acre exchange of mineral bearing lands.

Significant Issues

SLO maintains that since HJM72 is not a bill, it will not be legally binding if passed by the legislature. The agency also reported that if any bill did require legislative approval of land exchanges by the Commissioner of Public Land ("Commissioner"), it would still be unconstitutional since it would violate the separation of powers provision in Article III, Section 1, New Mexico Constitution. Such legislation would unlawfully infringe on the broad authority to manage the state trust lands vested in the commissioner by Section 10 of the Enabling Act.

SUBSTANTIVE ISSUES

New Mexico depends on federal and state owned mineral wealth to directly fund a significant portion of the statewide public school funding formula. Both the state and Eddy county depend on gross receipts and other tax revenue from mineral production. The potential loss of mineral wealth could significantly impair the growth potential in the southeastern region of the state. Also, the loss of federal and state royalties could exacerbate the state's low revenue growth.

RP/njw