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FISCAL IMPACT REPORT

SPONSOR Brown ORIGINAL DATE 2/10/16
LAST UPDATED _____ HJR 21

SHORT TITLE Pecos Land Sale SJR _____

ANALYST Fernandez

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)

Duplicates SJR19

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public School Facilities Authority (PSFA)

Regional Education Cooperative (REC)

No Response Received

Public Education Department (PED)

SUMMARY

Synopsis of Bill

The purpose of HJR 21 is to ratify and authorize the Pecos Valley Regional Education Cooperative to sell property currently owned in Artesia, New Mexico which serves as their main office.

FISCAL IMPLICATIONS

HJR 21 indicates that as of November 3, 2015 the property located at 2218 W. Grand, Artesia, New Mexico was appraised at \$400 thousand. The Regional Education Coordinating Council adopted a resolution determining it was in the best interest to sell the property and find a replacement building to either purchase or lease. The sale of the property must be equal to or exceed the appraised value of \$400 thousand. In the event the replacement building (purchase or lease) price exceeds the \$400 thousand value, there could be a cost associated with HJR 21.

SIGNIFICANT ISSUES

Section 13-6-3 NMSA 1978 specifies that “any sale, trade or lease for a period exceeding twenty-five years in duration of real property belonging to any state agency, which sale, trade or lease shall be for a consideration of one hundred thousand dollars (\$100,000) or more, shall be subject to the ratification and approval of the state legislature prior to the sale, trade or lease becoming effective.”

This legislation will allow the Pecos Valley Regional Education Cooperative the ability to complete the transaction, including approving the purchaser, purchase price and closing costs. If the Legislature wishes to impose additional expectations upon the terms of this transaction, it should communicate those expectations through contingencies and requirements. One such requirement may be requiring the State Board of Finance or the Capital Buildings Planning Commission to approve the sale.

During property dispositions due diligence should be followed, especially when it may involve a historic property that is sold to a private person.

ADMINISTRATIVE IMPLICATIONS

The Public Education Department is authorized to approve the existence and operation of RECs, classified as individual state agencies administratively attached to the PED.

An REC is governed by a regional education coordinating council (RECC) composed of the superintendents or chief administrative officers of each local school district or state-supported institution participating in the cooperative.

DUPLICATION

Duplicates SJR 19

CTF/jle/al/jle

QUESTIONS

1. What agency will receive the proceeds from the sale of this property?
2. How will these proceeds be used?
3. What is the estimated costs for obtaining a new location for the REC?