

SENATE BILL 274

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLIC PROPERTY; CHANGING THE THRESHOLD FOR STATE BOARD OF FINANCE APPROVAL ON SALES, TRADES OR LEASES OF PROPERTY BY STATE AGENCIES AND LOCAL PUBLIC BODIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 13-6-1 NMSA 1978 (being Laws 1961, Chapter 100, Section 1, as amended) is amended to read:

"13-6-1. DISPOSITION OF OBSOLETE, WORN-OUT OR UNUSABLE

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TANGIBLE PERSONAL PROPERTY.--

A. The governing authority of each state agency, local public body and school district [~~and state educational institution~~] may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

(1) of a current resale value of [~~five thousand dollars (\$5,000)~~] thirty thousand dollars (\$30,000) or less; and

(2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

(1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and

(2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

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C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act.

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts [~~state educational institutions~~] or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization

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described in Section 501(c)(3) of the Internal Revenue Code of 1986.

G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body or school district [~~or state educational institution~~]; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act.

K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds

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~~[five thousand dollars (\$5,000)]~~ thirty thousand dollars
(\$30,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.

L. If the secretary of public safety finds that ~~[the]~~ a K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal."

SECTION 2. Section 13-6-2 NMSA 1978 (being Laws 1979, Chapter 195, Section 3, as amended) is amended to read:

"13-6-2. SALE OF PROPERTY BY STATE AGENCIES OR LOCAL PUBLIC BODIES--AUTHORITY TO SELL OR DISPOSE OF PROPERTY-- APPROVAL OF APPROPRIATE APPROVAL AUTHORITY.--

A. Providing a written determination has been made, a state agency, local public body or school district ~~[or state educational institution]~~ may sell or otherwise dispose of real or tangible personal property belonging to the state agency,

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local public body or school district [~~or state educational institution~~].

B. A state agency, local public body or school district [~~or state educational institution~~] may sell or otherwise dispose of real property:

(1) by negotiated sale or donation to an Indian nation, tribe or pueblo located wholly or partially in New Mexico, or to a governmental unit of an Indian nation, tribe or pueblo in New Mexico, that is authorized to purchase land and control activities on its land by an act of congress or to purchase land on behalf of the Indian nation, tribe or pueblo;

(2) by negotiated sale or donation to other state agencies, local public bodies or school districts [~~or state educational institutions~~];

(3) through the central purchasing office of the state agency, local public body or school district [~~or state educational institution~~] by means of competitive sealed bid, public auction or negotiated sale to a private person or to an Indian nation, tribe or pueblo in New Mexico; or

(4) if a state agency, through the surplus property bureau of the transportation services division of the general services department.

C. A state agency shall give the surplus property bureau of the transportation services division of the general

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services department the right of first refusal to dispose of tangible personal property of the state agency. A school district may give the surplus property bureau the right of first refusal to dispose of tangible personal property of the school district.

D. Except as provided in Section 13-6-2.1 NMSA 1978 requiring state board of finance approval for certain transactions, sale or disposition of real or tangible personal property having a current resale value of more than [~~five thousand dollars (\$5,000)~~] thirty thousand dollars (\$30,000) may be made by a state agency, local public body or school district [~~or state educational institution~~] if the sale or disposition has been approved by the state budget division of the department of finance and administration for state agencies, the local government division of the department of finance and administration for local public bodies other than community colleges, the public education department for school districts and the higher education department for [~~state educational institutions~~] ~~SFC~~→community colleges←~~SFC~~ .

E. Prior approval of the appropriate approval authority is not required if the value of the real or tangible personal property is less than thirty thousand dollars (\$30,000) or the tangible personal property is to be used as a trade-in or exchange pursuant to the provisions of the Procurement Code.

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F. The appropriate approval authority may condition the approval of the sale or other disposition of real or tangible personal property upon the property being offered for sale or donation to a state agency, local public body or school district [~~or state educational institution~~].

G. The appropriate approval authority may credit a payment received from the sale of such real or tangible personal property to the governmental body making the sale. The state agency, local public body or school district [~~or state educational institution~~] may convey all or any interest in the real or tangible personal property without warranty.

H. This section does not apply to:

- (1) computer software of a state agency;
- (2) those institutions specifically enumerated in Article 12, Section 11 of the constitution of New Mexico;
- (3) the New Mexico state police division of the department of public safety;
- (4) the state land office or the department of transportation;
- (5) property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act;
- (6) leases of county hospitals with any person pursuant to the Hospital Funding Act;
- (7) property acquired by the economic

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development department pursuant to the Statewide Economic Development Finance Act; and

(8) the state parks division of the energy, minerals and natural resources department."

SECTION 3. Section 13-6-2.1 NMSA 1978 (being Laws 1989, Chapter 380, Section 1, as amended) is amended to read:

"13-6-2.1. SALES, TRADES OR LEASES--STATE BOARD OF FINANCE APPROVAL.--

A. Except ~~[as provided in]~~ for sales, trades or leases approved pursuant to Section 13-6-3 NMSA 1978, [for state agencies] any sale, trade or lease [for a period] of real property belonging to a state agency, local public body or school district for more than five years [of real property belonging to a state agency, local public body or school district or any sale, trade or lease of such real property] or for a consideration of more than ~~[twenty-five thousand dollars (\$25,000) shall not be valid unless it is]~~ one hundred fifty thousand dollars (\$150,000) shall be approved by the state board of finance prior to its effective date [by the state board of finance].

B. The provisions of this section shall not be applicable to:

- (1) those institutions specifically enumerated in Article 12, Section 11 of the constitution of New Mexico;
- (2) the state land office;

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- (3) the state transportation commission;
- (4) the economic development department when disposing of property acquired pursuant to the Statewide Economic Development Finance Act; or
- (5) a school district when leasing facilities to a locally chartered or state-chartered charter school."

SECTION 4. Section 13-6-3 NMSA 1978 (being Laws 1961, Chapter 41, Section 1, as amended by Laws 2003, Chapter 142, Section 4 and by Laws 2003, Chapter 349, Section 23) is amended to read:

"13-6-3. SALE, TRADE OR LEASE OF REAL PROPERTY BY STATE AGENCIES--APPROVAL OF LEGISLATURE--EXCEPTIONS.--

A. 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)~~] five hundred fifty thousand dollars (\$550,000) or more, shall be subject to the ratification and approval of the state legislature prior to the sale, trade or lease becoming effective. [~~The provision specified in Section 13-6-2 NMSA 1978 requiring approval of the state budget division of the department of finance and administration as a prerequisite to consummating such sales or dispositions of realty shall not be applicable in instances wherein the consideration for the sale, trade or lease shall be for a consideration of one hundred~~

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~~thousand dollars (\$100,000) or more and wherein a state agency not specifically excepted by Subsection B of this section is a contracting party, and, in every such instance, the legislature shall specify its approval prior to the sale, trade or lease becoming effective.]~~

B. The provisions of this section shall not be applicable as to those institutions specifically enumerated in Article 12, Section 11 of the constitution of New Mexico, the state land office, the state transportation commission or the economic development department when disposing of property acquired pursuant to the Statewide Economic Development Finance Act."

SECTION 5. Section 13-6-4 NMSA 1978 (being Laws 1979, Chapter 195, Section 5, as amended) is amended to read:

"13-6-4. DEFINITIONS.--As used in Chapter 13, Article 6 NMSA 1978:

A. "local public body" means all political subdivisions of the state, including their agencies, instrumentalities and institutions, and includes community colleges but excludes municipalities and school districts ~~[of the state and their agencies, instrumentalities and institutions]~~;

B. "state agency" means the state ~~[of New Mexico]~~ or any of its branches, agencies, departments, boards, instrumentalities or institutions other than state educational

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institutions;

C. "state educational institutions" means those institutions designated by Article 12, Section 11 of the constitution of New Mexico; and

D. "school districts" means those political subdivisions of the state established for the administration of public schools, segregated geographically for taxation and bonding purposes and governed by the Public School Code."

SECTION 6. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2025.

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