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FISCAL IMPACT REPORT

SPONSOR Aragon DATE TYPED 2/10/04 HB _____

SHORT TITLE Public Property Amendment Reconciliation SB 184/aSCONC

ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$62.9	See Narrative	Recurring	OSF

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals & Natural Resources (EMNRD)

Public Education Department (PED)

Attorney General's Office (AGO)

No Response From

General Services Department (GSD)

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment adds an emergency clause.

Synopsis of Original Bill

Senate Bill 184 is an Act that reconciles multiple 2003 amendments to Section 13-6-2 NMSA 1978. This bill extends the authority of state agencies, local public bodies, school districts or

state educational institutions to sell or otherwise dispose of real property. These agencies may negotiate a sale or donate 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. They may also negotiate or donate to other state agencies, local public bodies, school districts or state educational institutions.

State agencies, local public bodies, school districts or state educational institutions may also dispose of real property through the central purchasing office of the state agency, local public body, 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.

In addition, a state agency may dispose of real property through the Federal Property Assistance Bureau of GSD, by means of competitive sealed bid, public auction, or negotiated sale to a private person, an Indian nation, tribe or pueblo in New Mexico.

SB184 also includes an exception to the provisions of Section 13-6-2 (G) by expressly excluding the State Parks Division (SPD) of the EMNRD.

Significant Issues

PED states this bill allows a school district to rid itself of property that is obsolete, worn out or no longer needed. The bill expands the entities to which a state agency, local public body, school district or state educational institution may dispose of real property to include Indian nations, tribes or pueblos located wholly or partially in New Mexico. It also adds language to allow governmental entities to dispose of real property 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 act of Congress or to purchase land on behalf of the Indian nation, tribe or pueblo.

FISCAL IMPLICATIONS

PED notes that expanding to whom districts may sell or donate property may increase the amount they receive from a disposition transaction by increasing the number of offers, buyers, bids and negotiations.

SPD reports this bill grant GSD the right of first refusal on tangible surplus property initially purchased by SPD. SPD relies on the sale of surplus property as a revenue source for its operating budget. Being required to give the right of first refusal diminishes or substantially reduces revenues budgeted from the sale of tangible surplus property. The SPD is 60% self-funded and the projected revenue from equipment sales provides a vital addition to the operating budget. Over the last six years, SPD has averaged \$62.9 from the sale of tangible surplus property.

Technical Issues

SB184 refers to the conditions for the disposition of real property and deletes language that references personal property. PED would like the reference to “personal” returned to the bill because it will greatly reduce the amount of disposition requests the PED would have to approve. Approximately half of the requests for disposition that are received deal with personal property.

DW/dm:lg:yr