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FISCAL IMPACT REPORT

ORIGINAL DATE 2-10-06

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Santa Teresa Land Sale SJR 9/aSRC

ANALYST Hadwiger

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

New Mexico Border Authority/General Services Department/Department of Transportation

Tourism Department

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee amendment to Senate Joint Resolution 9 corrects a spelling error and provides that the owner of the property with the lower appraised value (whether the state or private owner) will pay the difference to the owner of the property with the higher appraised value.

Synopsis of Original Bill

The original version of Senate Joint Resolution 9 would authorize the trade of 12.527 acres of state-owned land currently used as a state port of entry in Dona Ana County for about 18.85 acres of private land adjacent to the federal port of entry facility. The trade would be contingent upon Dona Ana County transferring title to the Property Control Division of the General Services Department (GSD) of the portion (about 1.19 acres) of Cattlemen's Drive that intersects the proposed port of entry site. Both parcels would be appraised by one appraiser approved by GSD, the private property owner, and the Taxation and Revenue Department (TRD) and the appraisal validated by TRD. If the appraised value of the state property is higher, the private owner would compensate the state for the difference.

FISCAL IMPLICATIONS

By locating the new permanent state port-of-entry directly adjacent to the federal port-of-entry, it

is likely that permit and fee collections will increase as some commercial vehicles have been avoiding the state port-of-entry due to its separation from the federal port-of-entry. Additional fee revenues, however, would likely be offset by additional costs to conduct more inspections and costs to operate a larger permanent port-of-entry building.

Senate Joint Resolution 9 requires both the currently owned state land and the privately owned parcel to be appraised, and if the value of the state land exceeds the value of the privately owned land, the private land owner will be required to pay to the state the difference in the appraised value of the land.

SIGNIFICANT ISSUES

Joint comments provided by GSD, DOT and the Border Authority provided the following background:

A temporary commercial vehicle inspection facility was placed on this state-owned parcel in 2000, operated by the Department of Public Safety. Funds are now available to build a permanent commercial inspection facility. The proposal to relocate the facility reflects several considerations, including the need for more operational space and proximity to the federal border crossing, which will help assure that all commercial vehicles are properly inspected before entering New Mexico and will enhance border security as well. The existing state site cannot provide this security and control because Booth Road, which connects the federal facility and the current state site, intersects with Cattlemen's Drive allowing trucks to bypass the state inspection facility. A second intersection is planned in 2006 which would exacerbate the problem. Because the new site is contiguous with the federal border crossing, it will provide controlled access and eliminate the possibility for trucks to avoid state vehicle inspection. Inspection of commercial vehicles entering the United States from Mexico is a North American Free Trade Agreement (NAFTA) requirement. As port and area activities increase, continued use of the existing site would become more insecure and inefficient.

PERFORMANCE IMPLICATIONS

GSD et.al. indicated relocation of the state border facility will expedite the inspection process and, thereby, make the Santa Teresa port more competitive with regional Texas ports.

ADMINISTRATIVE IMPLICATIONS

The commenting agencies did not anticipate significant administrative burdens from passage of this resolution; however, a more active facility would likely need additional operating support.

TECHNICAL ISSUES

With regard to the original version of this bill, the Tourism Department was concerned that the bill did not provide for the possibility that the property to be acquired is appraised at a higher amount than the state parcel and the state be asked to pay the difference. The SRC amendment addresses concern.