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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/07

SPONSOR M.P. Garcia LAST UPDATED _____ HB 119

SHORT TITLE Former Land Gant Land Title Abstracts SB _____

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$100.0		Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Commission of Public Records

SUMMARY

Synopsis of Bill

House Bill 119 appropriates \$100.0 to the Commission of Public Records to perform or to contract for services necessary to prepare title abstracts of state-owned property located within the former common lands of community land grants.

FISCAL IMPLICATIONS

This appropriation would provide funding to continue work on a project relating to state-owned lands located within former common lands of community land grants first begun with a survey of such lands pursuant to Senate Joint Memorial 10 (46th legislature, second session). Work was continued through a special appropriation of \$33.3 contained in Senate Bill 190 (47th legislature, first session). During the 47th legislature, second session Senate Bill 415 contained an appropriation of \$30.0 to continue the survey and conduct title research however, the Governor line-item vetoed the appropriation.

According to the Commission of Public Records, the work conducted in FY2006 under the \$33.3 appropriation concerned state-owned properties located in former common lands of only certain land grants (see *Significant Issues*, below). That work identified properties now owned by three

state agencies - the General Services Department, the Energy, Minerals and Natural Resource Department and the Department of Game and Fish. The \$100.0 appropriated in this bill should prove sufficient to complete the title work on the properties owned by one of the three agencies. It is unlikely that it would prove sufficient to complete the title work on the properties owned by the other two, much less properties yet to be identified or researched and located in other land grants.

SIGNIFICANT ISSUES

According to the Commission of Public Records, the survey and the associated chain of title work and title abstract preparation involved in this on-going project are complicated, sensitive and costly. The Commission of Public Records undertook an initial survey, funded through its limited operating budget, in response to the Senate Joint Memorial 10 (2004) and presented the resultant report to the Land Grant Committee in October, 2004. At that time, the agency emphasized that it had no resources to continue what was likely to be an extensive and perhaps lengthy project and would need additional funding if it were proceed. As a result, it received \$35.0 (reduced to \$33.3 through a sanding provision) in 2005 for FY 2006 to continue the survey and research the chain of title of affected properties. Since the Senate Bill 190 (2005 session) funding was not expected to be sufficient to complete work on all properties, Representative Miguel Garcia and the Land Grant Committee instructed the agency to concentrate on properties within certain land grants - specifically those grants referenced in Chapter 49, Article 1, NMSA 1978 and registered with the Secretary of State and those identified in Chapter 49, Articles 3 through 10, NMSA 1978. The work resulted in the identification of qualifying properties now owned by three state agencies - the General Services Department, the Energy, Minerals and Natural Resource Department and the Department of Game and Fish. This appropriation would likely only provide adequate funding for preparing title abstracts on the properties owned by one of those agencies. Future funding would be necessary to prepare the abstracts on the properties owned by the other two agencies and any other state-owned properties located in former community lands of land grants which fall outside of Chapter 49.

PERFORMANCE IMPLICATIONS

The Commission of Public Records would include the performance measure listed below. Survey state-owned property within former common lands of community lands grants as per legislative mandate.

ADMINISTRATIVE IMPLICATIONS

The Commission of Public Records does not have the staffing or budgetary resources to continue the research and chain of title work beyond the work done in FY2006 without additional funding. Should the funding proposed in House Bill 119 be appropriated, the agency would contract for the professional abstractor services necessary to prepare the title abstracts, although there may be some in-house administrative costs directly related to production of the abstracts that would met through the appropriation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Title abstract would not be prepared.

POSSIBLE QUESTIONS

If the intent of the appropriation is to begin the preparation of abstracts only of the properties identified under the FY2006 contract, perhaps the language should be narrowed somewhat to reflect that purpose.

EO/csd