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FISCAL IMPACT REPORT

SPONSOR Papen **ORIGINAL DATE** 2/08/07
LAST UPDATED 2/26/07 **HB** _____
SHORT TITLE Las Cruces Land Sale **SB** SJR 13/aSRC
ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

SUMMARY

Synopsis of SRC Amendment

The amendment clarifies that the Workers' Compensation Administration in Las Cruces "may" be co-located with other state agencies in the state office building, and funds appropriated to house the Workers' Compensation Administration in Las Cruces "may" contribute to the state office building. The original bill used the word "will" in place of "may."

Synopsis of Original Bill

Senate Joint Resolution 13 would allow the Property Control Division (PCD) of the General Services Department (GSD) to sell or exchange approximately 1.76 acres of land in downtown Las Cruces to the City of Las Cruces.

FISCAL IMPLICATIONS

Any sale or exchange will be for appraised value and the owner of the lower-valued land would pay to the owner of the higher-valued land the difference in appraised value.

SIGNIFICANT ISSUES

GSD reports that:

- The property was acquired in 2002 to build an office to house a Worker’s Compensation Administration (WCA) field office. WCA will be co-located with other state agencies in a state office building currently in design. The value of the WCA property and any land offered by the City in an exchange will be determined by an independent appraiser and validated by the Taxation and Revenue Department.
- The City of Las Cruces wishes to acquire this state-owned property in order to develop transportation infrastructure for the downtown area. The proposed state office building co-locating various state agencies, including the WCA, provides an opportunity for the state to cooperate with the City in downtown development without compromising the need to establish a WCA field office in Las Cruces. The provisions of the joint resolution requiring sale or exchange at appraised value assures that funding for the WCA portion of a new building will not be compromised.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The GSD/PCD state office building and new WCA office will either be stalled, built on separate sites without benefit of sharing infrastructure costs, or another site will be located without cooperation with the City of Las Cruces downtown revitalization efforts.

WEP/nt