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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/08

SPONSOR HJC LAST UPDATED _____ HJR 11/HJCS

SHORT TITLE San Miguel Land Lease SB _____

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	\$19.4	\$0.1 see analysis	Recurring	Game Protection Fund 198

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Game & Fish Department – GFD

SUMMARY

Synopsis of Bill

The Committee Substitute for House Joint Resolution 11 from the House Judiciary Committee adds ‘clean-up’ language to the original bill. It deletes “Game and Fish Department” and replaces with “Game Commission”.

A prior amendment, requesting a ‘one time fee’ of twenty five thousand dollars, (\$25,000) has consideration for the granting of a utility easement in San Miguel County, has been ‘stripped out’.

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There is again a contemplation that future easement payments might increase over the twenty five thousand dollar (\$25,000) amount.

The intent of the original bill has been preserved in this new committee substitute bill

SIGNIFICANT ISSUES

- Section 13-6-3 NMSA 1978 requires ratification and approval of any sale, trade or lease for a period exceeding twenty-five years in duration of real property belonging to a state agency if the sale, trade or lease is for a consideration of one hundred thousand dollars (\$100,000) or more.
- The department of game and fish conveys to San Ignacio Joint Venture a nonexclusive easement for the term of ninety-nine years for the sole and exclusive purpose of access along and through a non-established existing roadway, including construction and maintenance of underground utilities within the confines of the roadway.
- Such conveyance includes the right to enter upon the real estate hereafter described within the county of San Miguel to construct, maintain and repair the structures within the easement and to sub-assign this easement to not more than forty-five single-family residential lots, provided each sub-assignment is appurtenant only to each residential lot.
- The department of game and fish grants access rights to the easement to the lessee for twenty-five thousand dollars (\$25,000) consideration of which five thousand five hundred thirty-six dollars ten cents (\$5,536.10) has already been received and applied to the sum of the consideration.
- If San Ignacio Joint Venture or its assignees avail themselves of the right to install utilities within the easement, additional consideration shall be payable commencing with the date construction of the utilities begins in an amount set forth in the grant of easement between the two parties.
- Because the exact costs associated with the easement cannot be predetermined and because it is possible that the costs to San Ignacio Joint Venture and the assignees during the ninety-nine year term of the lease may exceed one hundred thousand dollars (\$100,000) that this lease of an easement comes within the provisions of Section 13-6-3 NMSA 1978;

It has been determined by the Department of Game and Fish that there will be no significant impact to wildlife or habitat associated with the easement.

TECHNICAL ISSUES

- The description of the easement is: "The NW 1/4 of Township 16N, Range 12E, Section 19, N.M.P.M., San Miguel county, New Mexico and is more specifically an easement 30 feet in width along the now existing roadway that is approximately 2,525 feet in length as recorded in survey of Homestead entry No. 5665 as filed for record in the office of the San Miguel county clerk in Plat Book 2, page 193, as document 6933."

PRC/nt