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FISCAL IMPACT REPORT

SPONSOR Robinson **ORIGINAL DATE** 1-28-2008
LAST UPDATED 2-7-2008 **HB** _____
SHORT TITLE Finalize Rancho Viejo Land Exchange **SJM** 29/aSfI#1
ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural resources Department (EMNRD)
 State Land Office (SLO)

SUMMARY

Synopsis of SFL #1 Amendment

Senate Floor Amendment Number 1 to Senate Joint Memorial 29 clarifies language as follows:

On page 2, line 6, strike the word "finalize" and insert in lieu thereof the word "evaluate".

Senate Floor Amendment Number 1 to Senate Joint Memorial 29 adds no appropriation to the legislation.

Synopsis of Original Bill

Senate Joint Memorial 29 proposes the finalization of a collaborative effort between Santa Fe County, the State Parks Division of the Energy, Minerals, and Natural Resources Department, the Federal Bureau of Land Management, private landowners and the New Mexico State Land Office with regards to establishing thirty thousand acres of open space which is located between the Santa Fe Community College, the Village of Galisteo and the Village of Cerrillos.

There is no appropriation attached to this legislation.

FISCAL IMPLICATIONS

SLO advises that, at this time, it is difficult to assess the financial costs associated without having a current appraisal available for the lands involved. However, if any and all exchanges are conducted pursuant to the enabling act and the fiduciary duties of the Commissioner of Public lands there should be no negative fiscal implications.

SIGNIFICANT ISSUES

SLO notes that the land office has a myriad of laws that must be fulfilled to complete any land exchange which includes receiving an amount equal to or greater than the appraised value for this proposed piece of land. Further, that it is unclear which lands the joint memorial is referring for exchange and leasing: “Our research shows that in the area the New Mexico State Land Office has approximately 3,200 acres, but without a more accurate description of the property to be finalized for exchange and leasing, an accurate analysis of the fiscal, performance, administrative, and other implications is not possible.”

SLO concludes that the land office has successfully executed exchanges with city, county, state, federal, and private landowners, and will continue to pursue any and all such actions pursuant to the enabling act and the fiduciary duties of the Commissioner of Public Lands.

ADMINISTRATIVE IMPLICATIONS

SLO suggests that if it were possible to meet the required financial burden of this exchange, the administrative impact would be considerable owing to the number of agencies and private landowners involved in the project.

OTHER SUBSTANTIVE ISSUES

EMNRD indicated that although the department’s State Parks Division (SPD) is mentioned in the memorial, it has no part whatsoever in the proposed land exchange. SPD is involved in the start-up of a new state park near the Village of Cerrillos, but this is an entirely separate process from the proposed land exchange highlighted in the legislation. The new state park will be based initially on a partnership between EMNRD/SPD and the County of Santa Fe, with the State Land Office and BLM as potential future partners as well. None of the lands involved in discussions about the state park are part of the proposed land exchange involving the SLO and Rancho Viejo.

EMNRD adds that: “The Memorial states the land exchange will help in preserving the Galisteo Basin. Presumably this relates to the current controversy over oil and gas drilling in the area. The land exchange appears to address surface ownership only and not the mineral estate. Without controlling the mineral estate it may be difficult to preserve the area.”

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequences of not enacting this bill will be that the New Mexico State Land Office retains ownership of the land and will continue to manage and administer the lands to the benefit of its beneficiaries.

AMENDMENTS

EMNRD suggests that on page 1, lines 15-16, delete: “the state parks division of the energy, minerals and natural resources department,”.