

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/09

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE College Research Park Property Disposal SB 70

ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with other legislation being sought by Department of Finance and Administration

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration, State Board of Finance (SBOF)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 70 modifies approval requirements for certain university real property transactions by HED and SBOF. The bill would require HED to approve real property dispositions of state educational institutions for transactions valued at \$100,000 or greater, compared to the current HED approval level of over \$5,000. The bill closes the current exception for constitutionally created schools. The bill would add a new requirement that the SBOF approve real property dispositions valued over \$500,000 for public, post-secondary institutions, including constitutionally created schools. This approval would be in addition to that required from HED.

Finally, the bill would amend the Research Park Act to require that certain capital expenditures (including major construction or remodeling projects and real property acquisitions) and dispositions of real property obtain approvals by HED and the SBOF, consistent with the other required approval discussed above.

FISCAL IMPLICATIONS

There is no fiscal impact for this bill.

SIGNIFICANT ISSUES

Constitutionally created schools include: University of New Mexico, New Mexico State University, New Mexico Highlands University, Western New Mexico University, Eastern New Mexico University, New Mexico Institute of Mining and Technology, New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, New Mexico School for the Deaf, and Northern New Mexico State School.

SBOF notes transactions under \$100,000 would not require state approval, but both SBOF and HED would approve real estate dispositions valued over \$500,000. HED and SBOF already approve all real property acquisitions and major capital expenditures.

SBOF notes current law exempts universities from most state approvals for transactions falling within the provisions of the Research Park Act.

HED notes the bill is among its priorities of its legislative agenda and is included in its Strategic Priorities and Goals.

CONFLICT

Separate legislation requested by the Department of Finance and Administration would conflict with this bill. The separate legislation will increase the threshold for local public entities, state agencies and school districts for sales or leases of real property requiring BOF approval from \$25,000 to \$250,000.

SBOF discusses the bill is not expected to significantly increase its workload, based on the number of real property acquisitions by higher education institutions. However, SBOF notes it does not have information on how many transactions might be involved under the provisions relating to the Research Park Act.

HED indicates existing processes and staff would support the additional required approvals.

AW/mt