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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/12

SPONSOR Cisneros LAST UPDATED _____ HB _____

SHORT TITLE Taos County Land Grant Research SB 304

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$100.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0	\$0.0			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 255

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 304 appropriates \$100,000 from the general fund to the Local Government Division of the Department of Finance and Administration to conduct legal research on adverse possession of land grant property in Taos County.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

SIGNIFICANT ISSUES

The DFA states that this bill will allow land grants to hire legal representation to conduct research and abstract work to help protect land grant property against adverse possession lawsuits.

The DFA explains that the bill addresses current issues facing several land grants in Taos County. In some cases, surveys conducted at the direction of private landowners have extended private landowners' boundaries onto land grant property. Landowners have then registered their new surveys without notifying the affected land grant(s). Later, the private landowners have sued the land grant for adverse possession in an effort to acquire land grant property.

ADMINISTRATIVE IMPLICATIONS

The DFA notes that in order to reduce the administrative burden, the DFA would most likely enter into a grant agreement with Taos County for the county to conduct, or contract with an organization to conduct, the legal research required in this bill.

TECHNICAL ISSUES

The bill states that any unexpended or unencumbered funds will revert back to the general fund at the end of fiscal year 2013. However, due to the complexity of the issues, the department believes that one fiscal year is not a sufficient amount of time to expend the funds. Representatives of the Land Grant Council have expressed that similar work has taken as long as two to three years to complete.

AMENDMENTS

The DFA recommends that the reversion date be amended from the end of fiscal year 2013 to the end of fiscal year 2016. This will allow sufficient time to accomplish the intent of the proposed legislation and expend all funds.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

CEB/svb