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FISCAL IMPACT REPORT

SPONSOR Sanchez, C ORIGINAL DATE 02/04/16
LAST UPDATED 02/05/16 HB _____
SHORT TITLE Los Lunas Land Transfer SJR 9/aSRC
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See fiscal impact				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee Amendment provides that approval of the donation is contingent upon agreement by the parties to include a reversion clause in the conveyance document.

Synopsis of Bill

Senate Joint Resolution 9 (SJR 9) asks the Legislature to ratify and approve the donation and transfer of two large tracts of real property from the State to the Village of Los Lunas. One tract is located at 660 Main and is bordered by Don Pasqual Street in Los Lunas, New Mexico. The other is located along State Road 314 in Los Lunas, New Mexico. The transfer would be from the General Services Department, Facilities Management Division, to the Village of Los Lunas.

FISCAL IMPLICATIONS

GSD and the Village will need to work out the details regarding costs to transfer the property.

The Don Pasqual and Highway 314 real properties each have a value in excess of \$100 thousand. Section 13-6-3 NMSA 1978 requires any sale, trade or lease of state-owned real property worth \$100 thousand or more or leases longer than 25 years be approved by the legislature in advance. The State Board of Finance defines "sale, trade or lease" as any disposition, including donation.

SIGNIFICANT ISSUES

GSD notes that the Village of Los Lunas, Valencia County and Los Lunas Public Schools all have facilities located on these properties.

During the interim, the GSD Facilities Management Division received approval from the Capital Buildings Planning Commission’s (CBPC) to proceed with the transfer as proposed in SJR 9.

SJR 9 is asking the Legislature to delegate the authority to complete the transaction to GSD. If the Legislature wishes to impose additional expectations upon the terms of the transaction, it should communicate those expectations through contingencies and requirements.

As a condition of the donation and transfer of the Highway 314 property, SJR 9 includes language that requires the Village of Los Lunas to allow the Los Lunas Public School District and Valencia County to continue uninterrupted in their current use of the Highway 314 property.

GSD has indicated that it has no future plans for these properties and has determined that it would be in the best interest of the State for the property to be transferred.

PERFORMANCE IMPLICATIONS

SJR 9 provides that the state shall retain appropriate rights of way and easements.

ADMINISTRATIVE IMPLICATIONS

A survey and appraisal must be done and the paperwork required for a new deed to be recorded.

TECHNICAL ISSUES

GSD notes that the joint resolution does not contain a reversion clause that will require the properties to revert back to the State if no longer of use by the Village of Los Lunas.

It would be helpful for the Legislature to see a letter of support from the Village of Los Lunas.

DFA notes it cannot verify the legal description and there appears to be a typo in the legal description on page 3, line 16 “Trangulation”. However, the GSD did not indicate there was a problem with the legal description in the resolution in its agency analysis of the resolution.

OTHER SUBSTANTIVE ISSUES

The improvements on the land are owned by various local government entities. The buildings include administrative offices for the Village of Los Lunas, a maintenance yard, senior center, health clinic, city park and other recreational facilities. Many of the buildings have been on the property for years and have long-term lease agreements with GSD for minimal amounts.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The two tracts of land identified in SJR 9 will continue to be owned by GSD.