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## FISCAL IMPACT REPORT

**SPONSOR** Sanchez, M **ORIGINAL DATE** 02/04/16  
**LAST UPDATED** 02/05/16 **HB** \_\_\_\_\_

**SHORT TITLE** Transfer of State Land to Valencia County **SJR** SJR 10/SRC

**ANALYST** Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Impact				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

General Services Department (GSD)  
 Administrative Office of the Courts (AOC)  
 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 10 asks the Legislature to ratify and approve the donation and transfer of approximately 10 acres of state-owned real property located at the corner of State Road 314 and Morris Road in Los Lunas. The transfer is from the General Services Department, Facilities Management Division, to Valencia County for the continued operation of a courthouse.

### FISCAL IMPLICATIONS

GSD and Valencia County will work out the details regarding costs to transfer the property.

The state-owned real property being donated has 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

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\$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**

The Valencia County courthouse is located on the property.

Valencia County has a lease agreement with GSD which terminates March 31, 2016.

During the interim, the GSD Facilities Management Division received approval from the Capital Buildings Planning Commission to proceed with the transfer as proposed in SJR 10.

SJR 10 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 this transaction, it should communicate those expectations through contingencies and requirements.

GSD has determined it is in the best interest of the State for the property to be transferred.

**PERFORMANCE IMPLICATIONS**

Section 13-6-2 NMSA 1978 provides that a state agency may sell or otherwise dispose of real property by negotiated sale or donation to a local public body.

**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 as a courthouse by Valencia County.

It also might be helpful for the Legislature to see a letter of support from Valencia County.

DFA notes it cannot verify the legal description. 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**

SJR 10 provides that the state shall retain appropriate rights of way and easements.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The property housing the Valencia County courthouse will continue to be owned by GSD.

AHO/jo/al