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FISCAL IMPACT REPORT

SPONSOR Wooley/Nibert/
Townsend/Ezzell ORIGINAL DATE 02/02/18 LAST UPDATED 02/08/18 HJR 9/aHLELC

SHORT TITLE Roswell Land Sale SB _____

ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
	≥ \$225.0		Nonrecurring	Property Control Reserve Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		(\$3.0)	(\$3.0)	(\$6.0)	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)
Attorney General's Office (AGO)
Economic Development Department (EDD)

SUMMARY

Synopsis of HLELC Amendment

The House Local Government, Elections, Land Grants & Cultural Affairs Committee amendment to HJR 9 states the appraised value of the property as \$225 thousand dollars and does not allow the property to be sold for less than the appraised value. The amendment may conflict with itself if a later appraisal results in a higher value than the amount stated in the bill.

Synopsis of Original Joint Resolution

House Joint Resolution 9 (HJR 9) ratifies and approves by the Legislature the sale of certain state-owned real property in Roswell, New Mexico by the General Services Department (GSD).

FISCAL IMPLICATIONS

GSD reports the sale will alleviate the annual costs to keep the property maintained and secure.

The proceeds would go into the property control reserve fund to purchase, construct, renovate or plan for the construction or renovation of state buildings, to alleviate reliance on leased space. In the department’s analysis, GSD proposed an additional \$225 thousand in revenue from the sale.

SIGNIFICANT ISSUES

HJR 9 would approve the sale by GSD of certain state-owned real property located at 31 Gail Harris Street in Roswell, New Mexico, located on the former site of Walker Air Force Base.

For purposes of this analysis, it is assumed that the state no longer has plans or use for the property and it would be in the best interest of GSD and the state for the property to be sold.

GSD will be allowed to sell the property by competitive sealed bid, public auction or negotiation, presumably, after an appraisal has been approved by the Taxation and Revenue Department.

Under New Mexico state law, state agencies and other public bodies may sell or otherwise convey real property, subject to certain requirements. See Section 13-6-2 to -3 NMSA 1978. If the term of any sale, trade or lease exceeds twenty-five years and is for a consideration of \$100 thousand or more, the sale, trade or lease must be approved by the Legislature in advance.

By passing this resolution, the Legislature is delegating the authority to complete the transaction to GSD, including the buyer selection process used, purchase price, and terms and conditions. If the Legislature wishes to impose additional expectations upon the terms of this transaction, it should communicate those expectations through contingencies and requirements. One such requirement may be to require the State Board of Finance or the Capital Buildings Planning Commission to approve (not just “review”) the property disposition before it can be finalized.

PERFORMANCE IMPLICATIONS

The real property and improvements at 31 Gail Harris Street on the former Walker Air Force Base in Roswell, N.M. were transferred to the state by the federal government in 1980 with a requirement the property be used for health and welfare purposes for at least a period of 30 years.

HJR 9 includes an abbreviated legal description:

BEING a tract of land lying and being situated in Section 33, Township 11 South, Range 24 East, N.M.P.M., and being more particularly described as follows:
BEGINNING at a point from which the NW corner

of Section 33 bears N 15° 23' 21" W a distance of 927.23 feet;
THENCE S 89° 42' 22" E a distance of 1076.15 feet;
THENCE S 0° 13' 38" W a distance of 524.94 feet;
THENCE S 89° 52' 22" E a distance of 61.22 feet;
THENCE S 0° 16' 38" W a distance of 142.74 feet;
THENCE N 89° 34' 22" W a distance of 1138.10 feet;
THENCE N 0° 04' 51" E a distance of 664.85 feet to the point of beginning
containing 16.06 acres, more or less, together with the Buildings described in
Schedule "A" attached to the aforesaid Correction Deed.

TECHNICAL ISSUES

HJR 9 short title is “Roswell Land Sale” yet the abbreviated legal description identifies buildings in a Schedule A attached to a correction deed. According to EDD, the property was used as a rehabilitation center which has since been relocated and the original structure demolished.

OTHER SUBSTANTIVE ISSUES

It is unclear whether GSD has inquired into other public bodies’ prospective interest in the property before seeking legislative approval for a sale to the general public.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The ownership of the property will remain with the state.

AHO/jle/al