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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/18

SPONSOR Morales **LAST UPDATED** _____ **HB** _____

SHORT TITLE Transfer Ft. Bayard Hospital Campus **SJM** 23

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Joint Memorial 23 requests the General Services Department (GSD) to transfer part of the old Fort Bayard hospital campus to the village of Santa Clara and transfer lease of water rights for the development and operation of the property as a living heritage recreation complex and to preserve Fort Bayard as a national historic landmark in New Mexico.

The joint memorial further provides:

- Fort Bayard hospital property, with water rights, was conveyed in 1966 to New Mexico for 1,042,465 paid by the state by earning a public benefit allowance of 100 percent of that sum, from using the property 20 years for public health purposes, which the state did;
- the Fort Bayard veterans administration cemetery and building no. 263 and the land underlying that building was excluded from the conveyance, and the federal government reserved the right to all minerals and mineral rights;
- the state has not operated a hospital on the Fort Bayard hospital property for years, and a new Fort Bayard medical center was built in 2010 near the Fort Bayard property;
- the Fort Bayard hospital property has been designated as a national historic landmark, which indicates the state's commitment to the historic nature of the property and its recognition of its importance to the history of southwestern New Mexico;
- the property is unproductive and the historic buildings are deteriorating and the historic hospital building has been razed;
- GSD has no plans to develop the property and has been unable to sell it;

- the village of Santa Clara wants to preserve certain historic buildings on the property, such as the commandant's and officers' housing, and establish a living heritage recreational complex on part of the property, thus providing economic development and tourism for an area of the state that needs to diversify its economy; and
- it is in the public interest to transfer three hundred fifteen acres, more or less, of the Fort Bayard hospital property to the village of Santa Clara to establish a living heritage recreational complex and to preserve Fort Bayard as a national historic landmark.

FISCAL IMPLICATIONS

Although the joint memorial has no fiscal impact, the action being requested may.

SIGNIFICANT ISSUES

GSD is being requested to consider conveying 315 acres, more or less, on the Fort Bayard hospital campus to the village of Santa Clara and, with approval of the state engineer, enter into a lease with the village for 35 acre-feet of water per year for fire suppression, construction, operation and maintenance of the proposed Fort Bayard living heritage recreational complex.

PERFORMANCE IMPLICATIONS

SJM further provides the village of Santa Clara will pay for an official survey of the real property transferred to the village, to be used as the official survey that determines the property to be conveyed, and that the transfer will include the following provisions:

- a. the village shall not sell, trade or permanently dispose of the property without approval of the legislature, provided that permanent disposal means for longer than 25 years;
- b. the village may lease buildings or property to the federal, state or other local governments as well as recreational providers; and
- c. if the village proposes to use the property for any purposes other than as a living heritage recreational complex, it must first obtain approval from the legislature.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Both HJR 12 and SB 71 authorize the transfer of certain real and tangible personal property on the old Fort Bayard hospital campus from GSD to the village of Santa Clara.

OTHER SUBSTANTIVE ISSUES

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.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

GSD will continue to maintain and keep secure the old Fort Bayard hospital property.

AHO/sb