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FISCAL IMPACT REPORT

SPONSOR <u>Padilla</u>	LAST UPDATED <u>3/9/2023</u>
	ORIGINAL DATE <u>2/28/2023</u>
SHORT TITLE <u>Albuquerque Property Exchange</u>	BILL NUMBER <u>Senate Joint Resolution 14</u>
	ANALYST <u>Hanika-Ortiz</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
GSD	Indeterminate but minimal	No fiscal impact	No fiscal impact		Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

General Services Department (GSD)

New Mexico Attorney General (NMAG)

No Response Received

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Senate Joint Resolution 14

Senate Joint Resolution 14 (SJR14) ratifies and approves by the Legislature the exchange of two state-owned real properties located within the city of Albuquerque for two city-owned real properties also located within the city. The exchange of real property would be between the General Services Department (GSD) and the city and the Metropolitan Redevelopment Agency.

FISCAL IMPLICATIONS

The assessed value of the two state-owned parcels being exchanged is \$4.6 million, and the assessed value of the two city-owned tracks being acquired by GSD is approximately \$4.3 million.

SJR14 states GSD owns real property located at 401 Commercial Street Northeast that contains 0.73 acre, more or less, and owns real property located at 3401 Pan American Freeway Northeast that contains 12 acres, more or less. SJR14 claims GSD is not using or planning a use for the

two properties. The assessed value is \$270 thousand and \$4.355 million, respectively.

SJR14 also states the city of Albuquerque and the Metropolitan Redevelopment Agency own two tracks (Track 1 and Track 1-A) located at 1250 Menaul Boulevard. Tract 1 contains 3.889 acres and Tract 1-A contains 11.7263 acres. SJR14 states that the assessed value of Track 1 and Track 1-A is \$1.272 million and \$3.061 million, respectively.

Lastly, SJR14 states the Facilities Management Division of GSD, the city of Albuquerque and the Metropolitan Development Agency have agreed to an even exchange of the state-owned 401 Commercial Street property and 3401 Pan American Freeway property for the city-owned 1250 Menaul Boulevard properties. Passage of SJR14 would ratify and approve the exchange of the two state-owned properties for the two city-owned properties.

SIGNIFICANT ISSUES

For the purposes of this analysis, it is assumed it would be in the best interest of GSD and the state for the property to be exchanged because it says in the resolution that GSD no longer has plans or use for the two properties. Under SJR14, GSD would be allowed to exchange the property, but should only make the exchange after an appraisal is 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. (Section 13-6-2 to -3 NMSA 1978) If the terms of the sale, trade, or lease is for \$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 process used to evaluate the mutual benefit from this exchange, terms, and conditions. If the Legislature wishes to impose additional expectations on the terms of this transaction, it should communicate those expectations through contingencies and requirements. One condition may be to require the State Board of Finance or Capital Buildings Planning Commission to approve the exchange before it can be finalized.

If ratified and approved by the Legislature, copies of this resolution will be transmitted to the secretary of General Services, the mayor of the city of Albuquerque, the president of the Albuquerque City Council, and the director of the Metropolitan Redevelopment Agency.

TECHNICAL ISSUES

The joint resolution does not include a clause that says the exchange of state-owned for city-owned properties can revert back to the original owners if no longer of mutual benefit to the parties.

AHO/hg/mg/ne