

N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 274 (SB274) would modify the thresholds for the State Board of Finance (SBOF) involvement in the approval on sales, trades, or leases of property by state agencies and local public bodies. There are a couple of minor text changes that removes the term state educational institutions as well.

The New Mexico Higher Education Department's (NMHED) analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

FISCAL IMPLICATIONS

NMAC 13-6-1 (2023) currently has a threshold related to the current resale value related to the disposition of disposable tangible personal property of five thousand dollars (\$5,000) or less. The proposed change will increase that threshold to thirty thousand dollars (\$30,000) or less.

NMAC 13-6-2.1 (2023) currently has a threshold related to the sale of property by state agencies or local public bodies requiring SBOF approval for certain transactions, sale or disposition of real or tangible personal property with a resale value of more than five thousand dollars (\$5,000). The proposed change will increase the threshold to thirty thousand dollars (\$30,000).

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

NMAC 13-6-1 (A) (2023) and NMAC 13-6-2 (2023) have struck out the reference to state educational institutions in the body of the text. Each sections contains a statement that expresses that the section does not apply to institutions that are named in the Constitution of New Mexico in Article 12, Section 11.

Section 5 of SB274 amends definitions. Section A is the definition of "local public body" and was amended to include community colleges, which are not exempted as constitutional schools.

NMHED's analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

ADMINISTRATIVE IMPLICATIONS

NMAC 5.3.10 is NMHED's rule for capital projects approval. Contained within this rule is 5.3.10.13 that covers the "Notice of Disposition of Real Property". This rule applies to all higher education institutions to provide notice to NMHED of the sale or trade of real property when the property exceeds a current appraisal value of one hundred thousand dollars (\$100,000).

This notice is required to be submitted to NMHED department staff and should include information related to the transaction. Information should include a description of the land parcel being sold or traded with a location map and a statement of appraised value, the reason for the disposition, the amount of anticipated revenue from the sale, and the expected use of the revenue.

Section D also states that to obtain approval of the SBOF, institutions will be required to submit additional documents as listed in the board's rules and regulations.

The impact on NMHED and the higher education institutions (HEIs) is minimal. The higher thresholds may result in less required interactions with the SBOF as related to tangible personal property. The sale of real property will most likely result in the same requirements as have been in place due to the higher values of those types of transactions.

NMHED analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB274 is not enacted, NMHED would continue to operate as they currently do with the lower thresholds. There would be little to no impact on the agency or HEIs.

AMENDMENTS

N/A