

LFC Requester:	
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 02-07-2025 *Check all that apply:*
Bill Number: SB 301 Original Correction
 Amendment Substitute

Sponsor: <u>Paul, Nicholas</u>	Agency Name and Code	<u>AOC 21800</u>
Short Title: <u>Court Emergency Property Reserve Fund</u>	Number:	
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	450,000.00	Nonrecurring	Court Emergency Property Reserve Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

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

(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 301 (SB 301) would create a court emergency property reserve fund to pay for emergency repairs, reconstruction, or replacement of court-owned property. SB301 appropriates \$450,000.00 from the general fund to the court emergency property reserve fund in the Administrative Office of the Courts (AOC) for expenditure in FY26 and subsequent years. The funding would not revert.

This fund would be used “to pay the costs of emergency or unforeseen repair, reconstruction or replacement of court-owned property and expenses incidental thereto not otherwise covered by warranty, by capital appropriation, by insurance or pursuant to Chapter 13, Article 5 NMSA 1978.” The fund could also be used to pay the costs of administering the fund.

FISCAL IMPLICATIONS

SB301 would allow the courts to make emergency repairs on court owned facilities, which includes the New Mexico Supreme Court, Court of Appeals, and Metropolitan Court, without using funds which were appropriated for other purposes.

It is not possible to anticipate repair costs that will arise in a fiscal year. Without a dedicated fund to address these unforeseen expenses, these costs must be paid out of general fund appropriations, which can put a significant strain on operating budgets and take away from other important programs and functions. SB301 would have a positive fiscal impact on the courts, as it would allow the courts to address emergency repair needs without impacting general funds.

AOC would spend down this funding across multiple fiscal years, and upon exhaustion would anticipate requesting additional monies be added to the fund.

Recent examples of unforeseen repair costs for the NM Supreme Court are:

Boiler valves - \$5,000

Heating Radiators - \$10,000

Cooling system - \$15,000

Leaking sewer and heating pipes- \$10,000 to \$15,000

Lost Water Treatment chemicals due to HVAC/Boiler repairs - \$2,000

Electrical repairs - \$20,000

Indoor Air Quality Repairs due to asbestos, Radon, and mold and re-carpeting/tiling - \$50,000

Examples of unforeseen repair costs for the Court of Appeals include:

\$33,000 - repair to elevator and control box
\$9,492 - access control system, front door
\$2,750 - heating system
\$1,451 - lighting system
\$1,256 - chilled water system
\$4,611 - electronically controlled door
\$1,550 - automatic door repair
\$600 - water line repair
\$1,833 - repair water leak
\$2,200 - repair lighting system in courtroom
\$1,298 - HVAC repair
\$102 - front door
\$11,000 - elevator
\$183 - water pump
\$6,226 - steam valves hot water system
\$372 - plumbing
\$1,233 - hot water pump

SIGNIFICANT ISSUES

The repair and maintenance needs for court-owned buildings arise either unexpectedly due to a weather event, outage, unforeseen issue outside of a warranty, or at times because of deferred maintenance.

In any of these scenarios, building maintenance has to take precedence over other funding priorities to keep the buildings operational and avoid increased maintenance costs in the future.

SB301 would create a separate maintenance fund which ensure courts are not having to sacrifice part of their operational and programmatic funding for unforeseen maintenance expenses.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

AOC would administer the fund through its Court Operations Division (COD). AOC would develop criteria and application requirements for the administrators of the court-owned facilities to submit when unforeseen needs arise.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS