

LFC Requester: Hilla



PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 03/04 /25
Bill No: SB274/aSFC

Agency Name and Code: PED - 924

Sponsor: Wirth/Lujan

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Short Title: BOARD OF FINANCE
APPROVAL FOR LAND SALES

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis of the Senate Finance Committee Amendment: The Senate Finance Committee amendment to Senate Bill 274 (SB274/aSFC) would make a technical correction, completing a sentence that had been incomplete in the original bill. The original bill struck the words “state educational institutions” from line 12 of page seven without replacing it. SB274/aSFC would add “community colleges” to complete the sentence and conform to the logic of that subsection of the bill.

Synopsis: Senate Bill 274 (SB274) would amend several sections of [Ch. 13, art. 6 NMSA 1978](#) concerning the disposal and management of public property by state agencies, local public bodies, and school districts. The bill would effect processes for these entities to dispose of lower-value properties and real properties owned for five years or fewer. It would increase thresholds for property disposal without higher approval.

The bill has an effective date of July 1, 2025.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

SIGNIFICANT ISSUES

Currently, the Public Education Department (PED) must review requests for disposition of personal property with a value of more than \$5,000, and requests for sale, trade, or lease of real property for less than five years or a value between \$5,000 and \$25,000. The bill would raise the current resale value threshold from \$5,000 to \$30,000 for real and tangible personal property that public schools can dispose of without needing higher-level approvals. This means that items valued at \$30,000 or less, deemed worn out, unusable, or obsolete, could be disposed of without PED review.

For sales, trades, or leases exceeding 25 years in duration of real property, the threshold for required legislative approval would increase from the current \$100 thousand to \$550 thousand. For other sales, trades, or leases of real property, the bill would increase the threshold for State Board of Finance approval from \$25,000 to \$150,000. Alternately, any sale, trade, or lease of real property owned for more than five years would require prior approval by the State Board of Finance.

The Office of the State Auditor does not approve dispositions of real property. Therefore, as the proposed amended bill is currently written, there is no approval required for thresholds of \$30,000 or less.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

Raising the threshold of required review for certain dispositions by school districts may ease some burden on those school districts, as they would not need to review and furnish certain evidence of value, appraisal, and public notice to the department.

PED reviews certain dispositions of real and personal property owned by school districts and charter schools through the Capital Outlay Bureau and Office of General Counsel. Raising the thresholds for disposition review from \$5,000 to \$25,000, with the increased threshold for review of real property by the State Board of Finance from \$25,000 to \$150,000 would be unlikely to significantly increase the number of required PED reviews. In fiscal year 2024, under the thresholds proposed by SB274, only one transaction would have come to the PED for review.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

The bill might benefit from an amendment to the current definition of “school district” in Section 3 of the bill, proposing to amend Section 13-6-4 NMSA 1978, that includes state-chartered charter schools. Alternatively, the sponsor may consider amending the definition of “local public body” to include state-chartered charter schools.