



Stephanie Garcia Richard, State Land Commissioner
State of New Mexico

NEW MEXICO STATE LAND OFFICE

AGRICULTURAL LEASE Competitive Bid Application and Appraisal Instructions

GENERAL INFORMATION

Enclosed please find the forms necessary for submitting an application to lease state trust lands currently leased to another party, commonly referred to as a competitive bid. This information is intended to assist you in completing the application and appraisal forms that must accompany a bid for state trust land currently leased to another. Bid applicants must submit the executed application and appraisal between August 1st and September 1st in the year the lease that is subject to the bid expires.

All competitive bid offers must be on a per-acre basis for the entire acreage held under the agricultural lease. Any offered rental must equal or exceed the current rental. Separate bids are required for each separate lease. An application may not contain bids for more than one lease.

You will be required to fence the exterior boundaries of any leased state trust land, through the improvement application process, unless the acreage is being used and managed in conjunction with adjacent land.

The purpose of the appraisal is to provide the appraiser's best estimate of the value of the subject property and improvements on the lease. The information provided through the appraisal is used to determine a compensatory amount for the value of improvements on the lease acreage subject to a competitive bid. There are many statutes and procedures that guide this process. Following is a summary of some of the applicable laws:

The appraisal must be completed by a disinterested party (19-7-1 NMSA 1978). Applications to lease state lands shall be made under oath, and applicants shall, at their own expense, procure appraisals made under oath by a disinterested and creditable person or persons familiar with the land. All statements contained in appraisals, except as to the true value of the land, must be based upon personal knowledge and not upon information and belief. This appraisal is not conclusive and binding. The Commissioner of Public Lands makes the final determination of value.

All information presented in the appraisal must be factual and complete (19-7-7 NMSA 1978). Any person or persons applying to lease state lands, or acting as appraiser, who knowingly and willfully swears falsely to any material matter contained in any application to lease state lands, or in any appraisal, shall be deemed guilty of perjury.

Appraisal costs incurred by the State Land Office can be passed on to the bidder (19-7-16 NMSA 1978). The Commissioner of Public Lands shall recover the costs of appraising improvements on state trust lands from the subsequent lessee. As such, it is in your best interest to ensure that the appraisal is complete and accurate.

COMPETITIVE BID APPLICATION PROCEDURES

1. The State Land Office maintains records regarding agricultural leases on state trust land and associated improvements. These records are available for public inspection. It is recommended that the bidder/appraiser review these records prior to conducting any appraisal. Records are available for inspection in the State Land Office Public Records Room, 310 Old Santa Fe Trail, Santa Fe, New Mexico.
2. Complete the “APPLICATION FOR COMPETITIVE BID ON STATE TRUST LAND” form.
3. Complete the “IMPROVEMENT APPRAISAL WORKSHEET” form. Improvement values must be determined using the replacement cost less depreciation method, and each improvement item must be listed separately. The worksheet provides an explanation for each of the appraisal categories that must be completed. Please read them carefully.
4. Complete the “APPRAISAL OF AGRICULTURAL LANDS AFFIDAVIT.”
5. The appraisal must be accompanied by a PLAT MAP representing the location of the state trust land subject to the bid application, the location of all improvements, and any water sources such as rivers, streams, springs, ponds, earthen structures, irrigation ditches, etc. The application will be deemed incomplete and will be rejected if a plat map is not included. The PLAT MAP should be at a scale of no less than 2 inches to the mile.
6. Compensation for the value of improvements as determined by the appraisal must be submitted with the application fee and offered rental. The payment must be made either in the form of a certified check, cashier’s check or money order. **No personal checks may be accepted.** Unsuccessful bidders will be refunded their offered rental & improvement compensation.
7. State Land Office staff will review the appraisal. The value of the improvements, if in dispute, shall be determined by the Commissioner’s appraisal. If it is determined that the offered appraised value is deficient, the bidder will be required to tender additional compensation in order to maintain the validity of the application. Conversely, if it is determined that the improvement offered appraised value exceeds the value of improvements, the difference will be refunded if the lease is awarded to the bidder. In cases where improvement value refunds are due, they will be provided immediately following the award of the lease.
8. Competitive bid applications that are not properly completed or contain incorrect information may be rejected. Application fees are not refundable.
9. Prior to submitting the application make sure that all necessary signatures, notaries, and payments are included.

REMEMBER **

** Please ensure that your application contains: 1) all forms including the “APPLICATION FOR COMPETITIVE BID ON STATE TRUST LAND” form, “IMPROVEMENT APPRAISAL WORKSHEET” form, “APPRAISAL OF AGRICULTURAL LANDS AFFIDAVIT” form, and PLAT MAP; 2) all necessary signatures and notaries, and 3) the application fee, offered rental and improvement compensation payments.

** Appraisals and listings of all improvements must reflect a good faith effort on the part of the person submitting the appraisal or the listing to determine whether the improvements are located on the state trust land for which an application is being submitted and their value. Failure to do so may render the application invalid and subject it to rejection.

** Please refer to the attached Rule 8 for specific regulations regarding the competitive bid process.

** **If you have any questions, please do not hesitate to contact Lucille Martinez, Manager, Agricultural Leasing Bureau of Field Operations Division at (505)-827-5732.**

APPLICATION FOR COMPETITIVE BID ON STATE TRUST LAND

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

(I/We), _____
(Name)

(Address)

Email Address _____

telephone (_____) - _____ - _____, having reached the age of majority and not in default under any state lease, do hereby apply to lease for a term not to exceed five years, a total of _____ acres which is described below. (See stipulation below*)

With this application, I/we remit \$ _____ as the first year's offered rental on the described lands. If awarded the lease, I/we agree to pay no less than the offered amount annually for the remaining term of the lease.

Subdivision	Section	Township	Range	Acres
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* Rule 8 - "Relating to Agricultural Lease" (19 N.M.A.C. 3, SLO 8.9.6) you are required to bid for the entire acreage amount held under the lease.

S-00 (Revised 10/16)

Application Fee - \$200.00

**When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.*

I state in answer to the following questions:

Is this land within your pasture or grazing allotment? _____

Please be aware that you may be required to fence the state land as per Rule 8 "Relating to Agricultural Leases" (19 N.M.A.C. 3, SLO 8.9.8) which states: "One who leases state trust lands shall fence the lands leased, unless such lands shall be used and managed in conjunction with adjacent land, or are subject to an exchange of use agreement."

For what purpose is the land wanted? _____

Do you intend to irrigate any portion of the land? _____

Do you intend to sublease any portion of the land? _____

I/we, _____, do solemnly swear (or affirm) that the statements and answers to questions in this application are true and correct, to the best of my/our knowledge and belief.

Signed _____ Signed _____

Subscribed and sworn to before me this _____ day of _____, 20_____

by _____

(Notary must print names(s) of person(s) acknowledged)

MY COMMISSION EXPIRES: _____

Notary Public



Stephanie Garcia Richard, State Land Commissioner
State of New Mexico

**APPRAISAL OF AGRICULTURAL LANDS
AFFIDAVIT**

**New Mexico State Land Office
P. O. Box 1148, Santa Fe, N. M. 87501-1148**

(To be completed by a disinterested party)

I am well acquainted with the characteristics of the state trust lands listed on the reverse side of this application. The subject acreage is located in _____ County, New Mexico.

The current use of this property is best described as _____
_____.

After having personally inspected the land described in the above referenced lease, I HEREBY APPRAISE THE VALUE OF THE LAND TO BE \$ _____ per acre, and certify that I am not interested in said land for leasing or sale thereof.

After having personally inspected the improvements on the above referenced lease, I HEREBY APPRAISE THE VALUE OF THE IMPROVEMENTS TO BE \$ _____.

Signed

Name _____

Address _____

City _____ State _____ Zip Code _____

Day-time Phone Number _____

Subscribed and sworn to before me this _____ day of _____, 19_____.

Notary Public

(Seal)

My commission expires: _____

Note: New Mexico law requires that all statements in the appraisal must be made based upon personal knowledge, and not upon information and belief. This appraisal must be sworn before a Notary Public or other officer authorized to administer oaths.



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CATEGORY DESCRIPTIONS:

- 1) Replacement Cost – the current cost that would be incurred to replace the improvement today with new material.
- 2) Typical Economic Life – the estimated period during which an improvement may be capable of use if normally maintained.
- 3) Effective Age – the age of the improvement indicated by the condition and utility of the structure.
- 4) Percentage of Physical Depreciation – the percentage of physical deterioration caused by wear and tear, decay, or impairment in which the improvement has depreciated; may be calculated by dividing the effective age by the typical economic life.
- 5) Percentage of Depreciation/Functional Obsolescence – Obsolescence is one of the causes of depreciation. It is the impairment of usefulness brought about by new inventions, changes in design, and improved processes for production, or from external influencing factors which make an improvement less valuable for continuing use.
- 6) Total Accrued Depreciation – the sum of physical depreciation (column 4) and functional obsolescence (column 5). The loss in value experienced by the subject structure(s) in its present condition, as compared with the value it would have as a new improvement.
- 7) Indicated improvement value – the difference or deduction of total accrued depreciation from reproduction or replacement cost new.