



Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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June 15, 2020

Dear Agricultural Lessee(s),

This letter and packet contains important information regarding the renewal of your agricultural lease. Please review all items in this packet and complete the attached renewal documents so your application can be processed in a timely and complete manner.

Since your last lease was signed, we have made some changes to the renewal process to reduce the burden on applicants. In addition, we have changed the process for how we can provide you with assistance in the renewal process based on our agency directive to avoid in-person meetings in our offices and reduce staff travel to help reduce the spread of the novel coronavirus.

The following items are included in this packet:

1. Renewal Process Deadlines
2. Customer Information Sheet
3. Explanation of Changes to the Agricultural Lease
4. Process for Providing Lease Renewal Assistance, Including Notarizations, During Coronavirus Pandemic
5. Tele-Town Halls for Agricultural Lessees with Commissioner Garcia Richard
6. 2020 Agricultural Lease Renewal Instructions Checklist
7. Agricultural Lease including an Improvement Listing (two copies)

The annual rental fee is calculated using a set formula pursuant to New Mexico Administrative Code 19.2.8.11 and is not negotiable. The formula as set forth in rule for the annual grazing fee rental is as follows: Acreage X Carrying Capacity X Economical Variable Index (EVI) x \$0.0474 (base value). The indices in the grazing fee formula used to determine the EVI are the Beef Cattle Price Index, Forage Value Index, and the Prices Paid Index from the preceding year. Thus, last year's prices have determined this year's rental fee. Pursuant to state law, the rental fee for grazing land is adjusted on an annual basis. **For 2020, the calculation using the above formula has resulted in a 10.45% decrease in the rental fee.**

Our agricultural community plays an important role in protecting and caring for state trust land and the State Land Office appreciates our lessees' stewardship. Under existing state law and the terms of our agricultural lease, the State Land Office may issue permits and grant rights-of-way and easements for other activities on the land, including renewable energy projects, hunting, and recreation. As in previous years, we will be sending a letter this summer to all agricultural lessees regarding the agreement that the State Land Office has with the New Mexico Department of Game and Fish that allows access to state lands by licensed hunters and anglers. That letter will include information that will help facilitate the successful joint use of state trust land.

Please fill out and return the **Customer Information Sheet** (Item 2) included with this packet. This will allow us to update your contact information, if needed, and look into any issues and concerns you may have. Providing your e-mail address will enable us to contact you about workshops, training, and other opportunities afforded to state trust land lessees.

Also, please review the item in this packet entitled **Explanation of Changes to the Agricultural Lease** (Item 3), which explains changes made to the agricultural lease since your last renewal. These changes include the elimination of the appraisal form from the lease renewal process, which will make the renewal process easier for lessees.

If you have any questions regarding the lease renewal process or packet, please feel free to contact Lucille Martinez, Agricultural Leasing Bureau Manager (505.827.5732) or Agricultural Leasing Analysts Danny Sandoval (505.827.5775) or Fernando Roybal (505.476.0218). If you have additional questions, please contact the District Resource Manager for your area. Each District Resource Manager's geographic area and contact information may be found on our website using the link <https://bit.ly/SLODistrictMap> or by calling our office at (505) 827-5760.

As in past years, State Land Office staff are available to **notarize your lease renewal signatures**. We have modified this year's process as part of our measures to help reduce the spread of the novel coronavirus (Item 4). Relatedly, we will not hold in-person renewal workshops in 2020. Instead, **I am pleased to be leading two Tele-Town Halls, on July 8 and 14**, with State Land Office agricultural lessees and other New Mexico agricultural community members (Item 5).

As the New Mexico Commissioner of Public Lands, I am committed to preserving our rural way of life while providing sustainable income for our state trust beneficiaries. Thank you for your continued commitment to our state trust land and the public school children, hospitals and other institutions that depend on them.

Sincerely,



Stephanie Garcia Richard
Commissioner of Public Lands

1. RENEWAL PROCESS DEADLINES

The lease renewal contract must be received **IN** the State Land Office (310 Old Santa Fe Trail, Santa Fe, NM 87504) no later than **August 1, 2020** by 5:00 PM. The lease contract must be complete, accurate, and the application fee and annual rental must be paid in full. Partial payments will not be accepted. Applications received or submitted after the **August 1, 2020** deadline will not be afforded the opportunity to match a competitive bid, therefore, subjecting the lease to a sealed bid.

Any application submitted or received after **September 1, 2020** will not be awarded to you (the current lessee) if the State Land Office has received a valid competitive bid. The lease renewal must be **IN** the State Land Office no later than **September 1, 2020** by 5:00 PM to preserve the option to participate in a sealed competitive bid process. Lease renewals received after this date will not be given the option to enter into a sealed competitive bid if a competing bid has been submitted for the lease.

Renewal contracts not received by **November 1, 2020** will result in expiration of your lease and classified as open acreage. Any interested applicant may apply for state trust land in open acreage. Please note - **Faxes and e-mail submittal of lease documents cannot be accepted.**

2. CUSTOMER INFORMATION SHEET

Name: _____

Agricultural Lease No. _____

Mailing Address: _____

Billing Address: _____

Check if same as above

Office Phone: _____	FAX: _____
Cell-phone: _____	Home: _____
Pager: _____	Work: _____
E-mail address: _____	

Providing us with your e-mail address will enable us to contact you regarding workshops, training, and other opportunities afforded to state trust land lessees.

Outstanding Issues

To better serve our lessees, we would like to know if you are encountering any issues that you would like the State Land Office to review. If you would like our office to contact you, please explain your issue below or e-mail Danny Sandoval at dannys@slo.state.nm.us.

To better serve you, please complete and return this form with your agricultural lease renewal application.

3. EXPLANATION OF CHANGES TO THE AGRICULTURAL LEASE

The State Land Office has eliminated the appraisal form and the requirement for a separate appraisal for renewal, per the amendments to State Land Office Rule 19.2.8.9 NMAC (Related to Agricultural Leases), published on June 11, 2019. The calculation of the rent formula – which is defined in the rule and is based on carrying capacity and an adjustment factor to track economic conditions from year to year (known as the Economic Variable Index or “EVI”) – establishes a market value rental. Thus, it constitutes an appraisal as required by statute and rule and dispenses with the need for the renewal applicant to submit an appraisal form. (An appraisal of the land value and value of improvements still is required for applications to lease open acreage and for competitive bid applications.)

Other changes to the agricultural lease are described below.

Page 1, paragraphs 1 and 3, and Page 2, paragraphs 7 and 9 – Language simplification / clarification

Pages 1-2, paragraph 4 – Reference added to new Exhibit B (added as p. 7) for lessee to declare purpose for which lease is being used. Additional language clarifies that the Commissioner of Public Lands (referred to as “lessor” in the lease) does not authorize commercial sales of water appropriated from leased premises and that water wells shall be used only for purposes consistent with the purposes of the lease. Further, the lessee is required to send a copy to the lessor of filings made with the New Mexico Office of State Engineer for any of a number of described activities regarding the appropriation of water from the leased land, and must declare on filings that those activities are on state trust land.

Pages 2-3, paragraphs 11A and 11B – Clarification / elaboration on (i) the lessor’s right to issue permits and grant rights-of-way and easements for other activities, including hunting, fishing, and recreation, and (ii) lessee’s obligation to not unreasonably interfere with those activities.

Page 3, Paragraph 12 – Changes made to ensure that the lessor has better information about who are the individuals legally responsible for the agricultural leases. Where the lessee is other than an individual person or persons (such as an LLC or corporation), the lessee must be authorized to transact business in New Mexico and must provide proof of such authorization to the lessor.

Page 3, Paragraph 13 – New paragraph clarifying that the lessor (and their employees and contractors) have the right to enter state trust land when acting in their work capacity. Also, requires lessees of “land-locked” state trust land (i.e., state trust land this is surrounded by deeded land) who control access to state trust land through their deeded land to allow reasonable use of that access by the lessor upon reasonable notice (at least 48 hours). This paragraph enhances the lessor’s ability to better steward state trust land and protect it from harm.

Page 4, paragraph 21 – Requires lessee to notify the lessor within 45 days of receipt of any payments received for access or damage to leased trust lands or damage to improvements. Also requires lessee to notify the lessor promptly of any known illegal dumping, fire, or spills of oil or produced water. (A form for reporting required under this paragraph has been added to the State Land Office website at <https://bit.ly/ALRepForm>.)

Page 4, paragraph 22 – Paragraph added reserving the lessor’s right to execute renewable energy projects on leased land.

4. PROCESS FOR PROVIDING LEASE RENEWAL ASSISTANCE, INCLUDING NOTARIZATIONS, DURING CORONAVIRUS PANDEMIC

State Land Office staff will be available to help with any questions regarding your 2020 agriculture lease renewal and related documents (Signature Page, Improvement Listing, etc.). This year, we are using the following modified process to assist you while also complying with our agency directive to avoid in-person meetings in our offices and reduce staff travel to help reduce the spread of the novel coronavirus. We greatly appreciate your understanding and cooperation.

1. Agricultural Leasing Bureau staff in Santa Fe and the staff in our district offices are regularly available via phone and e-mail to answer your questions about the renewal process. See page 2 of this packet for information on how to reach these staff.
2. The State Land Office staff mentioned above are notary publics and can notarize your signature on the agricultural lease (notary publics are also likely available in your community at local government offices, banks, and other venues; please check the availability of local options, as well). We can perform notarizations for you in two ways in 2020:
 - a. **Lessees can set up an in-person appointment** for document notarization at our Santa Fe office or one of our district offices. Please call above-mentioned staff at your intended location to make an appointment (contact information on page 2). Your appointment will be held in front of our building (instead of inside). Please wear a face mask or other facial covering. Staff who assist you will ensure that social distancing and sanitization protocols are followed.
 - b. The State Land Office can notarize your lease signature using **audio-visual conferencing** per Executive Order 2020-015 from Governor Michelle Lujan Grisham (which is based on the emergency declaration related to COVID-19, declared by Executive Order 2020-04).

To pursue this option, please contact one of our Agricultural Leasing Analysts: Danny Sandoval (505.827.5775), Fernando Roybal (505.476.0218), or Sami Romero (505.827.5876). They will explain the process to you and then set an appointment for the video conference.

The following requirements must be met during this video conference for the State Land Office to complete the notarization¹:

- Each party that is participating in the notarization must affirmatively state that he or she is located in New Mexico during the video conference;
- If the person seeking notary services is not personally known to the notary, that person must present satisfactory evidence of identity (e.g. a valid state-issued photo identification) during the video conference;

¹ These four bulleted requirements are quoted directly and modified as needed from the New Mexico Secretary of State Office document entitled "Guidance Regarding Executive Order 2020-015."

- The person seeking the notary's services must transmit by fax or electronic means a legible copy of the signed document directly to the notary on the same day it was signed; and
- Once the notary has received a legible copy of the document with all necessary signatures they may notarize the document and transmit the notarized document back to the person seeking the notary's services.

It is the responsibility of the lessee to ensure that any documents notarized via audio-visual conferencing are received at the State Land Office in Santa Fe by 5:00 pm on August 1, 2020 and that they meet all other requirements listed on the 2020 Agricultural Lease Renewal Instructions Checklist (p .10).

5. Tele-Town Halls for Agricultural Lessees with Commissioner of Public Lands Stephanie Garcia Richard and State Land Office Staff

Commissioner of Public Lands Stephanie Garcia Richard and State Land Office staff will hold two Tele-Town Hall meetings, on July 8 and July 14. State Land Office agricultural lessees and other New Mexico's agricultural community members can participate via telephone conference or through a GoToMeeting online video conference.

The purpose of these events is for Commissioner Garcia Richard to speak with, listen to, and answer questions from the agricultural community. In addition, Land Office staff will explain changes to the GO series agricultural lease and the agricultural lease renewal process for 2020. (That information is also available in this packet).

We are sorry that these events won't be held in-person, as they were last year, but the Land Office is currently minimizing in-person meetings and staff travel as part of our overall effort to reduce the spread of the novel coronavirus.

When

Tele-Town Hall #1:

Wednesday, July 8, 2020 from 10:00 am—11:30 am

Tele-Town Hall #2:

Tuesday, July 14, 2020 from 5:30 pm—7:00 pm

How to Participate

Participate via phone using the following information:

Phone number: 646.749.3122

Enter the meeting ID: 563 908 645

For visual participation, choose one of the following options using your computer, tablet or smartphone by using the following link:

- To web browser. For best results, use Google Chrome to visit this web address:
<https://app.gotomeeting.com>, then enter the meeting ID: 563 908 645.
- If you would like to join using the GoToMeeting app, go to:
<https://global.gotomeeting.com/join/563908645>

If you need assistance, please contact Alysha Shaw at 505.827.5761.

6. 2020 AGRICULTURAL LEASE RENEWAL INSTRUCTIONS CHECKLIST

AGRICULTURE LEASE RENEWAL DOCUMENTS, RENTAL, AND APPLICATION FEE ARE DUE IN OUR OFFICE BY AUGUST 1, 2020 TO PROTECT YOUR RIGHT TO MATCH ANY COMPETITIVE BID THAT MAY BE PLACED ON YOUR GRAZING LEASE.

***** Please read carefully before completing your lease renewal application. *****

APPLICATION FEE and RENTAL: The **\$50.00 application fee** plus the Rental (amount found on the "Exhibit A" page in the Agricultural Lease) must be remitted along with both sets of completed lease applications. **\$50.00 Application Fee + Rental Amount (\$) = Total Amount Due (\$)**. The lease application serves as your first rental statement. **In the event a competitive bid is placed on your lease, the statutory right to match a competing offer will be forfeited if the rental, application fee, and properly executed lease application are not received in this office by 5:00 PM August 1, 2020. In a case where the August 1st deadline is missed, the right to participate in a sealed bid process will be forfeited if the rental, application fee, and properly executed lease application are not received in this office by 5:00 PM September 1, 2020.** Receipt and cashing of submitted fees and rentals does not guarantee the renewal application will be accepted or approved if there are other application errors or omissions.

LESSEE SIGNATURE: The lessee's signature must appear as given on the face page of the lease application. Do not mark through any information on the lease. The lease application may not be accepted if it is defaced in any way.

MORE THAN ONE LESSEE: If the lease is in the name of two or more lessees, **all lessees must sign the lease application.** Only a person with a valid Power-of-Attorney can sign on behalf of multiple lessees. The Power-of-Attorney must be recorded in the county where the state trust land is located and must be on record at the State Land Office.

NOTARY: Lessee(s) must sign the Agricultural Lease application before a Notary Public and return both signed copies to the State Land Office for approval. **The Notary must notarize the signature of the individual(s) whose name(s) appear on the face page of the application in the space entitled "Name of Person Acknowledged". An incomplete or incorrect notary clause may cause a lease application to be rejected.**

IMPROVEMENT LISTING: All improvements located on the leased state trust land must be listed even if a prior lessee placed the improvements. If there are no improvements, please check off "No" then sign and date the form. A blank or incomplete improvement form will result in the rejection of the renewal application.

INCOMPLETE LEASE RENEWAL APPLICATIONS ARE NOT SUFFICIENT TO PROTECT THE PREFERENCE RIGHT AND WILL BE RETURNED FOR COMPLETION. LEASE ACREAGE NOT RENEWED WILL BE CLASSIFIED AS OPEN ACREAGE AND WILL BE AVAILABLE FOR LEASE BY THE GENERAL PUBLIC.

**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 transfer from your account or to process the payment as a check transaction.*

NM State Land Office • 310 Old Santa Fe Trail • P.O. Box 1148 • Santa Fe, NM 87504