



# New Mexico Board of Finance Submission Requirement Checklist

## LEASE OF REAL PROPERTY

This checklist is intended to assist public entities in complying with 1.5.23.10 NMAC and providing standard information and documentation needed for consideration. Please reference the rule in its entirety along with this checklist to ensure you are following all requirements.

[Click here for the full rule.](#)

### REQUIRED ITEMS

- (1) This checklist once completed
- (2) All items and necessary attachments listed below

### SEND REQUIRED ITEMS AS

One (1) bookmarked PDF file

To:

[bof.administrator@dfa.nm.gov](mailto:bof.administrator@dfa.nm.gov)

Complete items below, as applicable, and prepare documents as needed.

### ENTITY CONTACT INFORMATION

Submitted by \_\_\_\_\_ Date \_\_\_\_\_

Public Entity \_\_\_\_\_ Email address \_\_\_\_\_ Phone Number \_\_\_\_\_

Presenters \_\_\_\_\_ Title \_\_\_\_\_ Email \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### GENERAL PROPERTY INFORMATION

Location of the property \_\_\_\_\_

Square footage/acreage of property \_\_\_\_\_ How long has the entity owned the property? \_\_\_\_\_

Detailed description of the property \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Has the entity made improvements to the property? ☐ Yes ☐ No

If yes:

When were the improvements made? ☐ Within last 10 years ☐ More than 10 years ago ☐ Both

Describe the improvements \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Were state capital appropriations used to fund any improvements? ☐ Yes ☐ No

What was the amount of capital appropriations received and expended on the property, and when were the appropriations received? \_\_\_\_\_

### LEASING INFORMATION

Lessee/tenant \_\_\_\_\_

Is the lessee a current tenant? ☐ Y ☐ N If yes, how long has the lessee leased the property? \_\_\_\_\_

Reason the property is being leased \_\_\_\_\_

How will the lessee use the property? \_\_\_\_\_

Property/ Appraised Value \_\_\_\_\_ Appraisal Date \_\_\_\_\_

*\*Appraised value if purchaser is private entity. Otherwise, general value of property if known.*

Lease Rate \_\_\_\_\_ Lease Term \_\_\_\_\_ Options to Extend? ☐ Y ☐ N

If yes, number of options & extension terms \_\_\_\_\_

How was the lessee selected? ☐ Competitive sealed bid ☐ Public auction ☐ Negotiation ☐ Other (describe)

Will the lessee provide services, tangible property, or construction (i.e., services in lieu of rent)? ☐ Y ☐ N

If yes:

Describe the services \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Did the entity seek bids for services? ☐ Y ☐ N When was the request for bids issued? \_\_\_\_\_

## REQUIRED DOCUMENTS

### All leases

COVER LETTER addressed to the Director of the BOF describing the property, nature of the request, and other pertinent and detailed information that will provide staff a full picture of the request and proposed transaction.

UNSIGNED COPY OF LEASE, including all exhibits and attachments, if any.

- The lease must expressly state that any amendments thereto are subject to and shall not be effective prior to BOF approval.
- The lease must contain provisions contemplating sufficient appropriations for any lessor obligations.
- Any lease with a term greater than 5 years must include a rent escalation or periodic review of the appraised value.
- Any holdover period must be limited to 6 months

SIGNED RESOLUTION or SIGNED MINUTES of the governing body authorizing the lease, containing a provision making the lease subject to approval by the BOF. It is recommended that the governing body/bodies delegate authority to revise the lease agreement as may be required by the BOF.

### If lessee is NOT another public body

CURRENT APPRAISAL by a certified appraiser. **Lease or other consideration for less than fair market value from a private entity is not permitted**, except as authorized by law (see 1.5.23.10(C) NMAC). All appraisals must:

- Have an effective date within one year of the date the application is submitted to the BOF for approval.
- List the BOF as an intended user of the appraisal.

REPORT OF TECHNICAL REVIEW from the Taxation and Revenue Department, Property Tax Division, on the appraised value (Property Tax Division Contact: [NMTRD.Appraisals@state.nm.us](mailto:NMTRD.Appraisals@state.nm.us)).

Date of TRD Review \_\_\_\_\_

**Note:** For Appraisal guidelines, please see next page.

### If lessee will provide services, tangible personal property, or construction (i.e., services in lieu of rent)

EVIDENCE OF PROCUREMENT CODE COMPLIANCE to include (1) evidence that selection of the lessee as vendor complied with the procurement code or is expressly exempt and that (2) the term of the lease complies with Section 13-1-150 NMSA 1978.

DETAILED LIST OF SERVICES OR DETAILED DESCRIPTION OF PROPERTY OR CONSTRUCTION to include monetary value of services and how the values were determined (for services), and a detailed valuation of property and/or construction (for provided personal property/construction).

COPY OF REPORTING FORM to be provided by the lessee to the entity to report valuation of services.

### If entity is a school district

EVIDENCE THAT ALL CHARTER SCHOOLS IN THE DISTRICT HAVE DECLINED THE USE OF THE BUILDING pursuant to 22-8B-4(F) NMSA 1978 or that the building does not meet Public School Capital Outlay Council occupancy standards.



## NMTRD-Property Tax Division

### Standard Appraisal Report Guidelines

- Appraisals requiring a Property Tax Division report of review should be emailed with a letter of engagement addressed to our Division Director to: [NMTRD.Appraisals@state.nm.us](mailto:NMTRD.Appraisals@state.nm.us)
- Must be completed by a General Certified or Residential Certified Appraiser for residential property. 1.5.23 NMAC
- Must be completed by a General Certified Appraiser for commercial property. 1.5.23 NMAC
- Must name the governmental agency and the State Board of Finance, if applicable, as an intended user of the report.
- Must meet all requirements under the Uniform Standards of Professional Appraisal Practice (USPAP).
- Must meet all the requirements under the New Mexico Regulation and Licensing Laws.
- Must be a “current” appraisal as defined under 1.5.23.7.D NMAC if going before the State Board of Finance. (Within 1 year of the submission of the proposed transaction for Board approval)
- The effective date of value must not exceed 1 year from submission to PTD, unless the scope of work is to perform a retrospective appraisal.
- Must be an Appraisal Report as defined by USPAP for a sale or acquisition, may be an Appraisal Report or a Restricted Appraisal Report as defined by USPAP for leases. The appraisers workfile may be requested as part of the Property Tax Division review for Restricted Appraisal Reports.
- A market rent analysis to establish the fair market value for leasing property is an “appraisal” under USPAP and therefore must meet all the requirements under Standards 1 & 2 of USPAP.
- When the seller and buyer of a property are both government entities, neither an appraisal nor appraisal review by PTD is required per 1.5.23 NMAC but may be conducted to establish fair market value at the discretion of the government entities.
- The appraiser should be notified that any information submitted to the State Board of Finance is subject to inspection under the Inspection of Public Records Act, Section 14-2 NMSA 1978.

**Note:** When interviewing appraisers ask if they have the knowledge and experience to complete the assignment competently and if their appraisals have had any problems in the review process conducted by the Property Tax Division.