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SENATE BILL 474

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Stephen H. Fischmann

AN ACT

RELATING TO STATE LANDS; ESTABLISHING REQUIREMENTS FOR THE  
COMPENSATION OF CERTAIN LESSEES FOR IMPROVEMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 19-7-14 NMSA 1978 (being Laws 1963,  
Chapter 237, Section 1) is amended to read:

"19-7-14. OWNER OF IMPROVEMENTS COMPENSATED BY PURCHASER  
OR BY SUBSEQUENT LESSEE.--

A. Whenever any state lands are sold or leased to a  
person other than the holder of an existing surface lease and  
upon which lands there are improvements belonging to such  
lessee or to another person, the purchaser or subsequent  
lessee, as the case may be, shall pay to the commissioner of  
public lands for the benefit of the owner of the improvements  
the value ~~[thereof]~~ of the improvements as determined by an

.176397.1

underscored material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1 appraisal made by the commissioner [~~of public lands~~]. In lieu  
2 of such payment, a subsequent purchaser or lessee may file with  
3 the commissioner a bill of sale or waiver of payment signed by  
4 the owner of the improvements.

5 B. The provisions of Subsection A of this section  
6 are mandatory and the commissioner shall not:

7 (1) define improvements in any manner other  
8 than as tangible additions to real property;

9 (2) waive the requirements of Subsection A of  
10 this section or otherwise interpret the provisions of that  
11 subsection in a manner that allows payments to a lessee for  
12 services rendered rather than payments for improvements, even  
13 though the services may increase the value of the land;

14 (3) enter into any lease or other agreement  
15 that provides for the value of improvements to be determined by  
16 any other method except an appraisal to be paid for by a  
17 subsequent lessee or purchaser; or

18 (4) otherwise enter into any lease with  
19 provisions that are inconsistent with those of Subsection A of  
20 this section."