

April 22, 2008

The Honorable Hector H. Balderas
State Auditor
2113 Warner Circle
Santa Fe, New Mexico 87505

Dear State Auditor Balderas:

We urge you to audit thoroughly any land-sale, land-swap and leasing contracts entered into by the commissioner of public lands. In a recent attorney general's opinion (No. 08-02), the attorney general found a business planning lease between the commissioner and a developer to be inconsistent with current law. While the attorney general has no authority to invalidate a contract (a matter of law reserved for the courts), the attorney general determined that New Mexico law does not authorize certain compensation arrangements, including compensation for intangible improvements. We suspect other State Land Office contracts throughout the state may reflect similarly illegal financial arrangements.

Because these contracts may deprive New Mexico citizens of potential revenues for education, we believe the contracts merit special scrutiny, an investigation of potential mismanagement and a complete audit by your office. We request that an audit include a review of the State Land Office's capacity to track and verify the complex costs of improvement value credits permitted under law, whether land trades are equitable and a determination that current contracts are written for the benefit of New Mexicans, not developers.

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We thank you for your commitment to increasing the investigatory function of the State Auditor's Office. Strong stewardship of our state lands is of primary importance to the citizens of New Mexico.

Sincerely,



NATHAN P. COTE
State Representative, District 53



RAY BEGAYE
State Representative, District 4



MIMI STEWART
State Representative, District 21



ELIAS BARELA
State Representative, District 8



THOMAS A GARCIA
State Representative, District 68

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