

TENNESSEE STATE BUILDING COMMISSION
Tennessee Wildlife Resources Agency
Crop Lease Program

Procedures for Crop Leases

1. Surplus and Lease Type Determination. A TWRA manager shall determine, in compliance with TWRA rules, policies and procedures, (i) if the land managed by TWRA should be included in the crop lease program or should be otherwise maintained and managed by TWRA outside of the crop lease program, and (ii) if the land is to be included in the crop lease program, whether the land should be leased on a service basis (percentage of crops left in the field) (a "Service Lease") or revenue basis (cash rent) (a "Revenue Lease").
2. Preparation of the Invitation to Bid. The invitation to bid for a crop lease and all accompanying information provided to potential bidders shall be prepared on forms which have been previously approved by the State Building Commission. Such bid forms shall include, at a minimum, the location of the land to be leased; the terms and conditions of any lease, including, without limitation the type of lease solicited (service or revenue); the date, time and place of the bid opening; and a contact person regarding the bid. Sealed bids shall be required.
3. Notification to Potential Bidders. In all cases, TWRA shall provide notice to the public that TWRA desires to lease property as part of its crop lease program by posting notice of its desire to lease such property on TWRA's website. In addition, (a) if the property does not have direct access to a public road, then TWRA shall send written notice of its intent to lease the property to all adjoining landowners; and (b) if the property does have direct access to a public road, then TWRA shall cause a notice of TWRA's desire to lease the property to be published in a local publication at least two (2) times in a two (2) week period (but with at least 5 days between each publication) and in at least one (1) prominent location on the property. All notices provided pursuant to this section, including notices published in local publications shall include, at a minimum, the location and acreage of property, the term of the lease, whether a Service Lease or Revenue Lease is sought, the bid opening date, and the contact person for additional information.
4. Bid Opening. No bids shall be opened until the published bid opening date, which date shall be no earlier than ten (10) business days after notice was provided in accordance with Section 3 above. If no bids are received, TWRA may, in its discretion, pursue the lease of the property under the published lease terms with persons owning land adjacent to the property or with whom TWRA has entered into other crop leases. If TWRA is unsuccessful in leasing the property pursuant to the terms of this Section 4 but still desires to continue to lease the property under the crop lease program, then TWRA must issue a new invitation to bid and recommence the process set forth in this policy. If such new invitation to bid includes different terms and conditions than those originally sought, TWRA shall properly document the rationale for each different term or condition.
5. Crop Leases. All crop leases shall be on a form of lease approved by the State Building Commission. Leases may not have terms of longer than five (5) years. The Executive Director of TWRA is authorized to sign crop leases on behalf of the State. To be effective, crop leases must be signed by both parties and notarized.

6. Liability Insurance. All leases for 75 acres or more individually or collectively (multiple leases between the State and the specific tenant) will require that the lessee provide evidence of liability insurance with minimum limits of \$300,000 per occurrence and \$1,000,000 in the aggregate and showing the State of Tennessee as an additional insured. Said requirement may be satisfied through a separate liability policy, a homeowner's policy or an umbrella policy.
7. Revenue Lease Security. All Revenue Leases with annual rental payments of \$1,000 or more shall require that the lessee either (i) provide a surety bond or irrevocable letter or credit to TWRA, in form and substance reasonably acceptable to TWRA, to secure the lessee's obligations under such Revenue Lease or (ii) prepay, on an annual basis, the rent due under such Revenue Lease. All Revenue Leases with annual rental payments of less than \$1,000 shall require that the lessee prepay, on an annual basis, the rent due under such Revenue Lease.
8. Written Records. TWRA shall maintain in its central office written records which are organized and maintained in such a manner as to allow for an accurate and efficient audit of the crop lease program. Such written records shall include, at a minimum, for each lease:
 - a. The written determination of the TWRA biologist that the property should be included in the crop lease program and the basis for such lease (Service or Revenue). If there is a determination to accept a Service Lease after an attempt has been made to procure a Revenue Lease, such written determination along with the rationale therefor should be included in the records;
 - b. A copy of the published notice of TWRA's intent to lease the property or an affidavit of publication from an authorized representative of the local publication that the notice was published and listing the dates of such publication;
 - c. If the property has no direct access to a public road, a written statement of such fact or copy of a map showing the lack of access and a copy of all notices sent to adjacent landowners;
 - d. A copy of all invitation(s) to bid and all accompanying documentation published or otherwise provided to potential bidders in connection with the lease procurement;
 - e. A copy of the winning bidder's bid;
 - f. A summary sheet signed by the TWRA employee who handled the bid opening indicating the names of all bidders and the amounts of their bids;
 - g. A written record of the cash rental income received by TWRA under the terms of a Revenue Lease or the crops received under the terms of a Service Lease at each harvest;
 - h. A written record of any personal injury, property damage or other issues at the property;
 - i. The original, fully executed lease;
 - j. A copy of the evidence of liability insurance, if required; and
 - k. The original bond or irrevocable letter of credit securing the lessee's responsibilities under a Revenue Lease or evidence of prepayment of rent required under a Revenue Lease.