

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Idaho State Office  
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In Reply Refer To:  
9300 (933) P

September 30, 2004

EMS  
Instruction Memorandum No. ID-2004-114  
Expires: 09/30/2005

To: District Managers

From: State Director

Subject: Minimum Rental Rates for Land Tenure Actions

**Program Area:** Lands and Realty.

**Purpose:** A substantial amount of work by the DOI Appraisal Services Directorate (ASD) appraisers assigned to Idaho BLM involves the periodic re-appraisal of use permits on low value properties. The cost to provide rental estimates for these low value properties far exceeds the rental income received from them. The purpose of this Instruction Memorandum (IM) is to establish a minimum rental rate on specific types of use permits which is based upon rental rates utilized by other land management agencies. The use of minimum rental rates, where appropriate, will reduce appraisal workloads and more efficiently manage appraisal costs.

**Policy/Action:** The District Managers are directed to continue providing completed appraisal requests for all realty permits or Rights-of-Way (ROW) requiring an estimated rental rate. The appraisal staff will determine whether the properties' rents will exceed the minimum rental rate and require an appraisal, or will be subject to one of the two minimum rental rates. Minimum rental rates are \$250 annually for residential and agricultural use properties, and \$500 annually for all non-residential or non-agricultural properties. The district will be notified in writing of the appropriate rental rate.

Minimum rental rates do not apply to authorizations covered by the linear ROW schedule (*43CFR2801-2(c)(1)(i) and 43CFR2883.1-2*), the communication site ROW schedule (*43CFR2803.1-2(d)*), minimum rents for municipal airports (*43CFR2911.1(e)*), or other programs with published rental rates. The minimum rental rate application does not apply to apiary sites and commercial film permits. Further, the results are not applicable in the estimation of market rental rates where the rental fees may exceed the cost to produce a Uniform Standard of Professional Appraisal Practice (USPAP) compliant appraisal.

Should the holder of a land use authorization desire the rent to be determined by appraisal rather than by the minimum rental rate, they may provide an appraisal report. The appraisal submitted by the holder must comply with BLM regulations for “Fee Appraisals Paid for by Private Parties” (*BLM Appraisal Manual 9310.64.A*). The appraisal should comply with both USPAP and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

The minimum rental value is an annual rental estimate reflecting a 12 month annual use by the holder of the authorization. Temporary Use Permits, adjustments for rental terms less than 12 months, and other uses may be adjusted by the approving authority, as provided in 43 CFR 2803.1.

**Timeframe:** This IM is in effect on the date of issuance.

**Background:** The ASD Appraisal Request System (ARRTS) indicates Idaho currently has a substantially higher volume of work than other states in the ASD’s Northwest region. A substantial amount of the extra volume of work is the valuation of properties with minimal values. Many of these appraisals involve properties with use permits which require another appraisal upon renewal of the permit every 3-5 years. The cost to produce rental rate estimates for these small valued properties substantially exceeds the rental income to be received from them. Many offices in the BLM are reducing the appraisal workloads and managing appraisal costs by utilizing minimum rental rates for small, low-valued properties.

A survey of other federal, state, and private land management agencies has been conducted. Minimum rental rates have been developed for Idaho which are based upon rental rates utilized by other competitive land management agencies.

Increases in the volume of appraisal requests and decreasing budgets have required investigations into solutions which would reduce appraisal workload and costs. The minimum rental program is one currently utilized by many competing land management agencies. It allows BLM to continue to provide rental rate estimates on low-valued properties to the Districts without incurring substantial appraisal costs.

**Manual/Handbook Sections Affected:** This IM serves as interim guidance for Idaho Manual Supplement 9300, Appraisals, until it is written.

**Coordination:** Department of the Interior (DOI) Chief Appraisers in Idaho, Washington/Oregon, Arizona/New Mexico, Montana, Wyoming, California, Nevada and Colorado.

**Contact:** If you have questions, please contact Cathie Foster at (208) 373-3863 or Don Dunn, Senior Supervisory Appraiser, Northwest Region, ASD, DOI at (208) 373-3871.

**Lower Snake River District with Union:** No Union notification or negotiation is required.

Signed by:  
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For K Lynn Bennett

Authenticated by:  
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