United States Department of the Interior

BUREAU OF LAND MANAGEMENT
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EMS TRANSMISSON
Instruction Memorandum No. AZ-IM-2022-011
Expires: 12/31/2024

To: All District and Field Office Managers

From: State Director

Subject: Minimum Rental for Non-Linear Rights-of-Way and Land Use Authorizations

Program Area: Right-of-Way and Land Use Authorization Management

Purpose: This Instruction Memorandum (IM) provides guidance implementing a rental schedule for small site rights-of-way (ROWs) and land use authorizations (LUAs), up to 25-acres in size that are not under an approved rental schedule or current appraisal. A ROW grant or LUA is non-linear if the authorized activity requires the use and occupancy of a site, station, location, or tract of land, as opposed to a route, corridor, or path.

Policy/Action: This policy creates the annual rental rate for non-linear ROWs and LUAs up to 25 acres in size, by county and by encumbrance factor. The encumbrance factor reflects the intensity of the proposed use and corresponding impact on the land. Billing for non-linear ROWs and LUAs shall follow the ROW rental business rules. Billing will be sent annually or as determined by the authorized officer. Rental fees shall be paid in advance.

Uses authorized include, but are not limited to, temporary storage of industrial materials, water and monitoring wells, electrical substations, energy production and transmission system facilities, water storage reservoirs (non-range improvement), navigation facilities or mailboxes. This fee schedule is not to be used for oil and gas and other mineral related site ROWs.

New grants and authorizations issued with a Rental Determination Decision Letter are appealable decisions. Existing grants and authorizations include a rental clause that states the authorized officer, whenever necessary, can update the rental to reflect changes in the fair market rental value, in accordance with comparable commercial practices; payment is required if a rental

adjustment is made. When this rental clause is included in the grant or authorization, updating the rental is not an appealable decision.

Timeframe: This policy will be effective immediately.

Budget Impact: The implementation of this IM will reduce the number of appraisal requests to the Appraisal and Valuation Services Office (AVSO) and will result in a savings to the realty program Statewide, as well as building a rental schedule for Arizona site ROWs and LUAs.

Background: The AVSO completed a study of comparable commercial practices and other valuation methodologies that established a reasonable rent schedule for non-linear ROWs and LUAs, effective December 17, 2020. The purpose of the study was to update the Bureau of Land Management (BLM) minimal rent schedule fees for non-linear ROW and LUAs. A streamlined and uniform approach to establishing small tract rental fees is consistent with provisions of 43CFR§2806 and 43CFR§ 2920. Within the context of the study, the terms "rent" and "fee" are interchangeable.

Appraising individual non-linear ROW or LUA requests is at times not economically beneficial to the U.S. Government for some types of grants or authorizations, as the time and cost associated with an appraisal can be substantially higher than the rent achieved. For this reason, development of a rent schedule is warranted for those cases not practical to individually appraise. The study serves as a basis for establishing a fee schedule for small non-linear tracts of BLM land that are uneconomical to appraise.

This fee schedule is not intended to use for oil and gas and other mineral related site ROWs or permits. In most states with significant BLM lands there is a well-established market, sufficient lease data for comparing similar oil and gas and mineral related sites, and a process that is economically practical to support the completion of individual appraisals or specific rent schedules.

BLM Offices typically request individual appraisals for rental sites when it is economically practical to complete them, and that process should continue. If there is a question about a specific permit or ROW authorizations, AVSO can help BLM Realty Personnel screen which cases should be appraised.

It is also not intended for use for site ROWs that are outside the size parameters identified in the schedule, or where there are well established markets and sufficient data exists, to demonstrate rental fees for particular uses significantly higher than the fees identified on the schedule.

This schedule is also not intended to replace existing schedules for solar, filming, hydroelectric, geothermal, telecommunication, linear ROW uses, recreation, and permit fees under §43 CFR 2930, or any other use fee established by specific authorization.

Manual/Handbook Section Affected: No Manuals/Handbooks are affected by this policy.

Coordination: This IM was developed in coordination with the BLM Arizona State Executive Leadership Team, the Headquarters Division of Lands, Realty, and Cadastral Survey (HQ-350), and the Arizona District Offices.

Contact: For further information, contact Jennifer Whyte, Senior Realty Specialist, Division of Lands, Minerals, and Energy, Arizona State Office at jwhyte@blm.gov or 602-417-9356.

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Attachment:

1 – BLM Arizona Small Land Use Authorizations Rent Schedule (32 pp)