



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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In Reply Refer To:
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October 17, 2014

EMS TRANSMISSION: 10/20/14
Instruction Memorandum No. ID-2015-002
Expires: 09/30/2018

To: District Managers

From: State Director

Subject: Minimum Rental Rates for Certain Non-linear Rights-of-Way and Land Use Authorizations

Program Area: Right-of-Way Management and Leases, Permits and Easements (43 CFR 2800) Authorizations

Purpose: This Instruction Memorandum (IM) establishes annual rental rates for small, non-linear rights-of-way and land use authorizations which contain 25 acres or less. This IM replaces IM No. ID-2012-005 Minimum Rental Rates for Certain Non-linear Rights-of-Way and Land Use Authorizations, dated October 17, 2011.

Policy/Action: This IM differs from the guidance established under IM No. ID-2012-005 by significantly expanding the acreage for which the minimum rental schedule applied from authorizations involving 10 acres or less to 25 acres or less. The schedule is specific to each of the Bureau of Land Management (BLM) districts, as well as individual counties in Idaho. Appraisal consultation may be requested if desired, but is *no longer required* for determining if the minimum rental rates established in this IM are applicable. If an applicant desires that rental be determined based on an appraisal rather than based on comparable minimum rental rates provided in the schedule, they may provide one at their own expense. The applicant will need to work closely with the Department of the Interior (DOI) Office of Valuation Services (OVS) Lead Review Appraiser to select a qualified appraiser and in the preparation of the appraisal. The BLM realty specialists should continue to request annual market rental estimates, as a Consultation in the Interior Valuation Information System, for cases which do not fit within the categories below, and may also call or e-mail the DOI OVS staff if informal appraisal assistance is required in determining the appropriate minimum annual rental rate from the information described below.

Determining Applicability: Some judgment is required in applying annual minimum rental. It is important that any user of the attached rent analysis and schedule read the report in its entirety in order to understand the analysis prior to using the schedule or any information contained in the report.

Timeframe: This IM is in effect on the date of issuance, and remains in effect until replaced by an updated IM.

Background: The cost to complete an appraisal for many of the small non-linear rights-of-ways or 2920 leases and permits far exceed the rent collected. For that reason, the Washington Office and ID 933 worked with the DOI OVS to update and reissue Idaho’s Minimum Rent IM last issued in 2012.

Regulations under 43 CFR 2806.50 and 43 CFR 2920.8 establish the methods by which the BLM determines rent for land use authorizations and right-of-way grants that do not fall under the linear, communication site, solar or wind right-of-way regulatory rental fee schedules. These methods include “a process based on comparable commercial practices, appraisals, competitive bids, or other reasonable methods.” This IM addresses comparable commercial practices and other reasonable methods for determining annual market rent, including market established minimum charges.

The DOI OVS, BLM Team, completed a Minimum Rent Analysis and Schedule in September 2014, of comparable commercial practices and minimum annual rents charged by owners of large landholdings located in those rural or low intensity land use areas where individual appraisals are not economically warranted, or there is insufficient comparable lease data. A copy of the approved report is enclosed. This Analysis and Schedule is the basis for the annual minimum rental rates provided in this IM, and the selected minimum annual rental rates have also been determined appropriate by appraisal staff for current, existing Idaho BLM land use authorizations by utilizing either comparable lease data or market based rates of return applied to estimated land value. The attached rental schedule is not intended to replace existing schedules for mineral, hydroelectric, geothermal, telecommunication, linear right-of-way uses, or any other use fee established by specific authorization.

Manual/Handbook Sections Affected: None

Coordination: The Branch of Lands, Minerals and Water Rights (ID 933) worked closely with the DOI OVS.

Contact: If you have questions, please contact Dick Todd, Realty Specialist, at (208) 373-3863.

Boise District with Union: Management is reminded to notify and satisfy any bargaining requirements prior to implementation.

Signed by:
Timothy M. Murphy

Authenticated by:
Terrian Wells
Program Analyst – Litigation

Attachment:

1 – [Minimum Rent Analysis & Schedule – Idaho Districts](#) (16 pp)