

APPENDIX T

CRITERIA FOR DETERMINING SALE METHOD

Instruction Memorandum WO-83-524 describes the criteria to be used to determine the method of sale for parcels of public land.



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BUREAU OF LAND MANAGEMENT

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From: Director
Subject: Clarification of Policy - BLM Manual 2710 Public Sales
.06 Policy

Public lands that are being considered for sale will occur in a variety of parcel sizes, shapes, sometimes isolated from other public lands and public access, by adjoining lands in one ownership. Some lands will be located near or within the influence of developing urban and suburban areas, near or adjacent to major transportation arteries and will clearly be within the areas of increasing land values. Other lands will be of sizeable blocks that have been under grazing use by one or more ranch units for a number of years and have become an integral part and essential to the continuation of family business livestock enterprises. Some lands may be suitable for residential or commercial development in a rural area that if sold and developed would place undue burdens on the local government for roads, schools, and other public services. Because of such a wide variety of uses, locations and landownership patterns, it is essential that we select a sale procedure that will minimize interruptions to present users and ongoing businesses dependent on the land, minimize impacts on existing land use and local governments, and at the same time maximize the value returned to the public interest.

When a parcel of land meets the sales criteria established in Section 203 of the Federal Land Policy and Management Act of 1976, several factors are considered in determining the method of sale. These include, but are not limited to: needs of State and/or local governments, adjoining landowners, public policies, historical uses, and the equitable distribution of land. The regulations in 43 CFR 2711.3-2 were designed to give the authorized officer substantial latitude in determining when and how to employ modified bidding or direct sale rather than competitive bidding. This latitude provides for the equitable distribution and consideration, preference to users, and consideration to the potential purchaser provisions of section 203.

The policy for determining the sale bidding method for offering lands for sale is:

1. Modified Competitive Bidding may be used to permit the existing grazing user or adjoining landowner to meet the high bid at the public auction or limiting the number of persons permitted to bid on the land. These would normally be lands not located near urban expansion areas or with rapidly increasing land values, when there is a need to avoid jeopardizing existing use of adjacent land, to assure compatibility of the possible uses with adjacent lands, and avoid dislocation of existing users. This procedure will allow for limited competitive bid to protect ongoing use.

2. Direct (without competition) Sales may be used when, in the opinion of the authorized officer, the public interest would best be served by a direct sale. Examples include but are not limited to:

- o A tract identified for transfer to State or local governments or nonprofit organizations; or
- o A tract identified for sale that is an integral part of a project of public importance and speculative bidding would jeopardize the timely completion and economic viability of the project; or
- o There is a need to recognize authorized use such as an existing business which would be threatened if the tract were purchased by other than the authorized user; or
- o A tract is surrounded by land in non-Federal ownership and does not have public access; or
- o Inadvertent unauthorized use or occupancy of the land.

3. Competitive Bidding will be used where clearly there would be a number of interested parties bidding for the land and they could make practicable use of the land regardless of adjoining landownership, and where the land is clearly within a developing or urbanizing area and land values are increasing due to their location and interest on the competitive market. If there are no overriding bases for modifying competition or direct sale, the land will be offered through competitive bidding. Normal practice for competitive sales is to first offer the land for sale by auction then, if unsold, offer for sale over-the-counter or through realtor contract sale.

4. When lands have been offered for sale by direct or modified bidding procedure and they remain unsold, then the land will be re-offered by the competitive bidding procedure. In no case will the land be sold for less than fair market value.

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