

INDIAN AFFAIRS DIRECTIVES TRANSMITTAL SHEET

(modified DI-416)

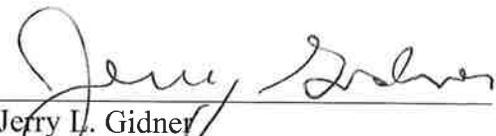
DOCUMENT IDENTIFICATION NUMBER 76 IAM 17	SUBJECT Acquiring fractionated interests at Fair Market Value	RELEASE NUMBER #08-33
FOR FURTHER INFORMATION Indian Land Consolidation Center, BIA		DATE AUG 01 2008

EXPLANATION OF MATERIAL TRANSMITTED:

Pursuant to the 130 DM 3.4, the Indian Land Consolidation Center is responsible for establishing land consolidation polices, providing technical advice and assistance to Regions with regard to the implementation of the land acquisition program. The Center is also responsible to provide oversight, direction, monitoring and program evaluation for the Indian Land Consolidation Program.

The purpose of this Policy is to establish procedures to purchase fractionated interests from willing sellers only at the established fair market value. No premium value will be paid by the ILCC.

Please direct any questions to the Indian Land Consolidation Center at (715) 682-0310.



Jerry L. Gidner
Director, Bureau of Indian Affairs

FILING INSTRUCTIONS:

Remove: None

Insert: 76 IAM 17 (New)

INDIAN AFFAIRS MANUAL

- 1.1 Purpose.** The purpose of this policy is to establish procedures to purchase fractionated interests from willing sellers only at the calculated fair market value. No premium value will be paid with appropriated or recouped funds.
- 1.2 Scope.** This policy applies is to be recognized for all ILCP Transactions.
- 1.3 Policy.** The Indian Land Consolidation Act of 2000 allows the Secretary to purchase undivided trust land interests from willing sellers at fair market value. The fair market value is determined by a market study/tract appraisal of the purchase area. Each tract to be purchased is prorated to each fractional interest within that tract and establishes the purchase price for that interest. The purchase price offered by the ILCP to the interest holder is not negotiable.

In some cases Tribes have made the decision to pay a premium to a land owner of a desired fractional interest in order to entice a sale from that interest owner. It is the position of this office that the premium (that value above the determined fair market value) will not be paid from project funding, but will need to come from Tribal funds. The premium or "signing bonus" would be a separate agreement and not subject to the lien on income or repayment to the acquisition fund.

1.4 Authority.

- A. The American Indian Probate Reform Act** of October 27, 2004, P. L.108-374 (118 Stat. 1773).
- B. The Indian Land Consolidation Act** of November 7, 2000, amended P.L.106-462 (114 Stat. 1991). See Section 213-216 of the Act.

1.5 Responsibilities.

- A. Director, Bureau of Indian Affairs (BIA)** is responsible for the development of National Policy affecting Indian lands.
- B. Director, Indian Land Consolidation Center** is responsible for coordinating the Bureau's nationwide program to consolidate fractionated interests in Indian lands pursuant to statutory requirements.
- C. Deputy Director, Field Operations, BIA** is responsible for overseeing the Regional Directors and disseminating policy to them.
- D. Deputy Director, Trust Services, BIA** is responsible for assisting in the dissemination of trust resource policy and information to the Regional Directors.
- E. Regional Directors, BIA** are responsible for carrying out policy as directed, and for overseeing the implementation of policy either directly or via Agency Superintendents.