

Appraisal and Valuation Services Office

Presentation on Appraisals to Indian Land Tenure Foundation

October 21, 2020

Greetings and Introductions



Presenters

Tim Hansen, Director

- Overview of AVSO
- Recent and Future Changes

Greg Powell, Regional Supervisory Appraiser, Navajo/Pacific/Southwest /Western Regions

- Technical Appraisal Issues
- AVSO Roles and Responsibilities

What We Will Be Discussing Today

- Overview of AVSO
- Recent and Future Changes
- The work products we can provide
- The reasons for which our services can be requested
- The request process
- Situations when our products are not needed
- Miscellaneous
- Q & A

Overview of AVSO

AVSO is the only departmental office with delegated authority from the Secretary related to valuation and valuation policy. (212 DM 33)

The AVSO provides independent, defensible real property valuation services and mineral evaluations, and administers the Tribal appraisal programs operating under P.L. 93-638 Self Determination Contracts and Self Governance Compacts. (112 DM 33)

Overview of AVSO continued

AVSO only completes work for Departmental bureaus and offices on behalf of the Secretary.

- AVSO's primary clients are the Bureau of Indian Affairs, Bureau of Land Management, Bureau of Reclamation, the National Park Service, and the U.S. Fish and Wildlife Service.
- We also assist other offices and programs on an as needed basis including the Solicitor's Office, the Office of Native Hawaiian Relations, the Office of Grant Management, and others.

Recent and Future Changes

- Secretarial Order 3363 signed in March of 2018 consolidating the appraisal function into a single office within the Office of the Secretary.
- Retirement of Principal Deputy Director in December of 2019.
- Retirement of Director in February of 2020.
- Passage of Great American Outdoors Act in July of 2020

Recent and Future Changes

- Significant budget cuts in Indian appraisal funding for FY21 and FY22
- AVIS Phase II Rollout November 2020
- End of OASIS except for Land Buy Back Program
- End of Land Buy Back Program Fall 2022
- Final decommission of OASIS Program

How Does AVSO Continue to Provide Service?

Reevaluation of AVSO structure and operations is ongoing and will likely result in the combination of all valuation divisions into a single division organized geographically.

- All appraisal staff will conduct appraisals and appraisal reviews for all clients
- Funding changes necessitate rebalance of workforce and more flexibility
- We must figure out ways to maximize the capacity of the workforce we have for all clients.

Products AVSO Can Provide

- Appraisals - “*Appraisal* means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.” 43 CFR 100.100
- Market Analysis – no definition in CFR, generally a survey of the area market for that need; e.g., Rental rate surveys.
- Other appropriate valuation products – no definition, but mineral evaluations fall into this category, certain consultations, other products not yet identified may fit here

When Are Our Services Needed?

- Pending Land Transactions that Require BIA Approval of "Fair...Value"
- Sales, Negotiated Sales, Exchanges, Partitions – 25 CFR 152
- Agricultural, home site, business and wind and solar leases – 25 CFR 162
- Grazing permits – 25 CFR 166
- Rights of Way across Indian Lands – 25 CFR 169

What We Don't Appraise

We won't do an appraisal "just to know what it is worth."

Mortgage and Deed of Trust requests are not handled by AVSO

Timber Product Values - BIA will conduct a "timber cruise"

Life Estates – more later

What Is The Process to Request an Appraisal?

- Requests must come through the Bureau of Indian Affairs
- Discuss the request with BIA Agency personnel
- Not sure how to contact your local Agency? - BIA.gov
- Use the locator to find addresses and phone numbers.

The screenshot shows the official website of the U.S. Department of the Interior, Bureau of Indian Affairs. The header includes the department's name and a search bar. The navigation menu lists: About Us, Programs & Services, Policy & Forms, Regional Offices, Consultations, and Jobs. The main content area features a large image of a group of people in a meeting, with a caption: "Read the Latest 'Dear Tribal Leader Letter' Highlighting AS-IA Accomplishments for 2020". To the right, the "Latest News" section lists three recent press releases from October 1, 2020, and October 15, 2020. Below the main content, there are three columns: "Find your BIA Region" with a dropdown menu and buttons for "By Zip", "By Tribe", and "By State"; "Announcements" featuring a notice about the HEARTH Act approval of the Kickapoo Traditional Tribe of Texas Business Leasing Code; and "Quick Links" with a list of various services and acts.

Process to Request an Appraisal

- We will need the following documents in different situations:
 - Copy of the transaction application – request to sell, right of way application, draft of lease, etc.
 - Tribal authorization if required
 - Land Title Status Reports
 - Surveys
 - Other documents – water rights info, probate orders, etc.

If An Outside Party is Providing the Appraisal

- AVSO policy on "Non-Federal Party Payor" Applies
- AVSO will supply a Statement of Work
 - Client will be AVSO
 - Intended Users will be requestor, BIA, AVSO
 - AVSO will formally engage the appraiser but their fees are the responsibility of the Requestor
 - AVSO will review the appraisal and when acceptable will accept it for its intended use on behalf of the Secretary

When Our Services Are NOT Needed

- Appraisals Are Not Needed For:
 - Life Estate Calculations – Actuarial Table S, Valuation of Annuities, 26 CFR 20.2031
- Wind and Solar Energy Resource Leases if:
 - 100% of Indian Owners agree to waive valuation,
 - BIA Waives the valuation,
 - If Indian owners provide an economic analysis prepared OR approved by the Indian Energy & Economic Development (<https://www.bia.gov/as-ia/ieed/division-energy-and-mineral-development>)

Our Services Are NOT Needed

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- Reviews of Third-Party Appraisals May be Waived under 43 CFR 100 if:
 - ALL Owners Agree to Waive Review
 - Completed by Certified General Appraisers - <https://www.asc.gov/National-Registries/FindAnAppraiser.aspx>
 - In Good Standing in their State – check with your state, may mean different things based on where the property is located
 - In Compliance with the Uniform Standards for Professional Appraisal Practice (USPAP) current edition.
 - Waivers of Reviews MUST be Requested Simultaneous with Submission of Appraisal and Transaction Request to BIA

Appraisal Review Waivers

- Waiver Package to BIA Must Include:
 - The Appraisal or Valuation Product
 - A Request to Specifically Waive the Review
 - A Copy of the Appraiser's Certified General License
 - A Copy of the Appraiser's Qualification Statement – usually part of the appraisal
 - A Copy of the Appraiser's Self – Certification
 - If the Property Contains Natural Resources That Contribute to the Value – Additional Appraiser Qualifications are also required

Miscellaneous Appraisal Items

- We don't appraise the undivided partial interest an Individual owns in an allotment. We will appraise the allotment as if owned by one owner. We leave any division of value to BIA as an administrative function.
- Mineral and sub-surface interests are typically handled by AVSO – Division of Mineral Evaluation. They will provide valuations of mineral resources as well as evaluations of mineral potential. When necessary for probate purposes or for sales of both surface and sub-surface interests in a tract, we will incorporate the information DME provides into our appraisal of the entire estate.

Contact info for the Indian Trust Property Valuation Division Regional Supervisory Appraisers

- Alaska Region – Mr. Geoff Oliver, geoffery_oliver@ios.doi.gov
- Northwest Region – Ms. Rena Sanford, rena_sanford@ios.doi.gov
- Billings Area Office (Rocky Mountain and Great Plains Regions) - Ms. Roxane Poupart, roxane_poupart@ios.doi.gov
- Ashland Area Office (MidWest and Eastern Regions) - Ms. Valerie Greene, valerie_greene@ios.doi.gov
- Muskogee Area Office (Eastern Oklahoma and Southern Plains Regions) - Ms. Jacque Profitt, jacquelin_profitt@ios.doi.gov
- Phoenix Area Office (Pacific, Western, Navajo and Southwest Regions) - Mr. Greg Powell, gregory_powell@ios.doi.gov

Q & A
