

Owner-Managed Lease Provisions

Is a standard owner-managed lease form available?

No. However BIA can provide you with guidelines on terms and provisions that you may want to consider for your agricultural leases.

Are there certain provisions I must include in the lease?

The lease must contain the following provisions:

- ☐ Names of the parties
- ☐ Possession and/or rights conveyed
- ☐ Land description and acres
- ☐ Terms and duration
- ☐ Rental rates, payment, and compensation
- ☐ Stipulations
- ☐ Signature lessors and lessee

In addition, the lease may contain the following provisions:

- ☐ Late payment penalty
- ☐ Care of premises
- ☐ Subleases and assignments
- ☐ Reservations of rights
- ☐ Unlawful conduct
- ☐ Improvements
- ☐ Dispute resolution clause
- ☐ Upon whom binding
- ☐ Indemnity clause
- ☐ Any other provision agreed to by the parties

Term of Owner-Managed Status

How long does a parcel retain its owner-managed status?

A parcel retains owner-managed status until revoked notwithstanding any subsequent

conveyance of a trust or restricted interest to another person or the subsequent descent of the trust or restricted interest by testate or intestate succession to one or more heirs.

Whose responsible for informing the lessee of the name and address of any new co-owner?
Depending on the terms of the lease, the other co-owners are responsible for telling the lessee of any change in ownership and contact information.

Revocation of Owner-Managed Status

Can owner-managed status be revoked?
Owner-managed status of the trust or restricted interests may be revoked upon the written request of all owners of trust or restricted interests in the parcel.

When does revocation become effective?
A revocation becomes effective as of the date on which the last of all such requests has been delivered to the BIA **and is recorded with the LTR.**

What is the consequence of revoking owner-managed status?
Revoking owner-managed status does not affect the validity of any owner-managed lease made prior to the date of revocation, but upon the effective date of revocation, the BIA becomes responsible for collecting and accounting for all future lease revenues accruing to the trust or restricted interest in the parcel.

If you have any questions about owner-managed applications or owner-managed lease terms, please contact your local BIA or Fiduciary Trust officer.

Owner Management

How you can attain owner-managed status under the American Indian Probate Reform Act (AIPRA)

 This pamphlet will change when final regulations are published.



Department of the Interior

**Bureau of Indian Affairs
&
Office of the Special Trustee for
American Indians**

What is Owner-Managed Status?

Owner-managed status allows co-owners of trust or restricted interests in a parcel of land to enter into a surface lease of the parcel for agricultural purposes, for up to 10 years, without approval of the BIA.

Applying for Owner-Managed Status

What should my application contain?

A complete application for owner-managed status must contain the following items:

- 1) The full names, birthdate, addresses, telephone numbers and Indian identification number (if known) of person(s) owning a trust or restricted interest in the parcel, or the legal guardian or parent information if one of such owners is a child or incompetent person.
- 2) The name, birth date, address, telephone number of the designated manager or contact person if so designated by the owners and Indian identification number, if known.
- 3) The date of submission of the application
- 4) The legal description/tract number of the Parcel
- 5) The signatures of all person(s) owning a trust or restricted interest in the parcel, or of the legal guardian or parent if one of such owners is a child or incompetent person with copies of guardianship papers. If the tract of land contains a life estate, both the life estate holder and remainder interest owner must sign the application.
- 6) Acknowledgments by the applicant (see following panel).

Applying for Owner-Managed Status (continued)

What acknowledgements should my owner-managed application contain?

- a) The applicant will submit any owner-managed lease within thirty (30) days after execution to the agency for recordation in the LTRO
- b) The applicant will include stipulation(s) in the owner-managed lease(s) that will provide for prudent management and conservation Practices
- c) All Irrigation Operation & Maintenance account receivables will be paid, if applicable
- d) The lessee/lessors will abide by all applicable tribal & Federal laws, regulations, ordinances, and resolutions
- e) Any existing encumbrances on the proposed owner-managed tract, such as existing leases and easements, will remain in full force and effect through their expiration
- f) The right of mineral owner(s) to enter into agreements or leases to extract those minerals.
- g) The lessee/lessor acknowledge that if owner managed status is revoked, lessee shall pay BIA any rents due under the lease.

When will I receive a decision from BIA on my application?

Once you submit a completed application, BIA will have 60 calendar days to verify owners' signatures and act upon the completed application. BIA will notify you of its determination on the application.

Making the Lease Effective

Must I record the owner-managed lease?

Yes, you submit the owner-managed lease to the agency for recording in the Land Titles and Records Office (LTRO) within thirty (30) days of execution. You must also submit to the agency any amendments, cancellations, or other lease modifications for recording in the LTRO.

When is an owner-managed lease effective?

An owner-managed lease can take effect only when:

- All co-owners of trust or restricted interests in the parcel signed the lease; and
- The current agricultural lease or permit on the parcel has expired or been cancelled; and
- The owner-managed lease has been recorded in the LTRO.

Effect of Owner-Managed Status

Once BIA approves my application, may I enter into a lease without BIA approval?

Once BIA approves your application for owner-managed status, you and the other co-owners of trust and restricted interests in the parcel may enter into a lease of the parcel for agricultural purposes, for a term up to 10 years, without further BIA approval.

Will BIA collect rent on the parcel?

No, BIA will not collect or account for lease revenues under an owner-managed lease.

Who enforces the terms of the lease?

The co-owners of trust and restricted interests who have entered into the owner-managed lease have full responsibility for obtaining compliance with the terms of the lease.