

Date: March 11, 2008

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Revised: May 18, 2012

PR15-007-40 APPRAISING REAL PROPERTY INTERESTS FOR CONSERVATION PURPOSES INVOLVING FEDERAL AND STATE GRANT FUNDING**DISCUSSION**

The Department of Natural Resources (DNR) administers several federal and state grant programs that involve acquisition of land and interests in land for conservation purposes. These include and are not limited to: U.S. Fish and Wildlife Service (USFWS) Cooperative Endangered Species Conservation Fund (Section 6), U.S. Forest Service (USFS) Forest Legacy Program, National Oceanic Atmospheric Administration's Coastal Estuarine Land Conservation Program (CELCP), and/or state Washington Wildlife and Recreation Program (WWRP) funds administered by the Recreation and Conservation Office (RCO).

DNR has the responsibility to follow appraisal policies, standards (e.g. USPAP, UASFLA), and procedures of the granting agency (e.g., USFWS, USFS, RCO). For example, federal grants require that appraisals be completed in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions (aka "Yellow Book"). Federal and state grants also require that appraisals and appraisal reviews, once completed, must be approved by the authorizing agency.

Public agencies rely on real property appraisals done to professional standards in order to meet due diligence, public trust, and fiduciary responsibilities in land transactions involving public funds. In order to meet grant source requirements, DNR's control of the appraisal process is important so that third parties do not have undue influence, real or perceived, over the property valuation process.

DNR will maintain control of the appraisal process in conservation land acquisitions using federal and state grant funding. Control means that any real property appraisal report or appraisal review to be used to acquire lands or an interest in lands using funds granted to DNR must be contracted by the DNR. DNR will make the final selection of the appraiser, contract for or conduct the appraisal, conduct or contract for review of the appraisal, and pay the appraisal billings.

PROCEDURE**Action By:**

Transaction Project Assistant

Action:

1. Requests title report, aerial photos, legal descriptions, parcel size, maps, mineral reviews, encumbrance documents and any other relevant information that is listed on the Request for Appraisal Services form.

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| Project Manager | 2. Reviews materials and submits Request for Appraisal Services form through ADM with all support material and draft appraisal instructions to DNR Chief Appraiser. |
| Chief Appraiser | 3. Reviews the request, submitted materials and draft appraisal instructions and requests clarification or additional information from Project Manager if necessary. 4. Reviews and finalizes appraisal instructions. 5. Selects appraiser(s) to bid on the appraisal work assignment and notifies the Project Manager of selected appraiser(s) to receive bid assignment. |
| Appraisal Unit Assistant | 6. Send bid assignment to selected appraiser(s) with deadline for proposals, usually one to two weeks. 7. Notifies the Project Manager, Transaction Project Assistant, Chief Appraiser, APM Assistant Division Manager, that the bid assignment was sent and which appraiser(s) it was sent to. 8. Compiles bids received by deadline and notifies Chief Appraiser and Project Manager of bids received. |
| Chief Appraiser | 9. After consultation with Project Manager, makes final selection of appraiser to complete assignment. 10. Contracts for the appraisal and administers the contract. 11. Recommends approval of payment. 12. Conducts or contracts for the appraisal review, or arranges for federal agency review, when applicable. |

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Project Manager

13. Provide a copy of the appraisal, upon request, to the intended user only after completion of the review and approval by granting agency. Note: In accordance with appraisal standards, any party receiving a copy of the appraisal report or appraisal review report in order to satisfy disclosure requirements, does not become an intended user of either report unless the appraiser or reviewer, as part of the assignment, identifies such party as an intended user.

Conservation organization partners may be included in certain steps of the appraisal process, but only to the extent that it does not interfere with the integrity of the appraisal itself. The conservation partner may:

Non-profit conservation organization

1. Be involved in defining the appraisal problem.
2. Be stated as an intended user of the appraisal report.
3. Be provided a copy of the appraisal instructions and distribution list of appraisers to bid on the appraisal work assignment.

Approval Date: May 18, 2012Approved by: 
Stephen Saunders, Manager
Asset and Property Management
Division

SEE ALSO:
Request for Appraisal Services Form