

Section 1.12. Appraisals and Reviews

- Follow FLP 2003 Guidelines (pg. 19 and appendix H) and State requirements.
- A Forest Service senior review appraiser is available to answer any appraisal or review questions.
- You may use Forest Service appraisers or appropriately qualified private appraisal firms to complete the appraisal and the appraisal review.
- Appraisers must be State certified and preferably hold a senior-level professional designation from a sponsor organization of The Appraisal Foundation. They must comply with the Uniform Appraisal Standards for Federal Land Acquisitions, 2000, which is known as the “Yellow Book,” and the Uniform Appraisal Standards of Professional Appraisal Practices (USPAP).
- Ensure that all government and nongovernment appraisers and reviewers have completed Yellow Book training and have relevant work experience to competently complete the assignment.
- Schedule a prework meeting with the reviewer to discuss assignment issues and assist in the development of comprehensive and case-specific instructions to the appraiser.
- If using outside appraisers/review appraisers, you need to follow State requirements for contracting.
 - Selection is typically made according to State stipulations, which include cost, delivery date, and meeting minimum specifications.
 - Document how the appraiser/review appraiser met the minimum qualifications.
- All written instructions to the appraiser must be included in the appraisal report to ensure proper review.
- Supply appraiser with maps and a legal description; make sure the final appraisal has photos of comparable sales.
- The appraiser will need a copy of the final easement in order to correctly appraise remainder value.
 - If the easement language changed after the appraisal was completed, provide the updated language to the appraiser so they can determine if the appraisal needs to be updated.
- For easement acquisition, compensation is based on the difference between the market value of the larger parcel valued at highest and best use, and the market value of the remainder as encumbered valued at highest and best use.
- The intended use of the appraisal is for acquisition purposes pursuant to the Forest Legacy Program (FLP). Intended users of the appraisals include the State and Forest Service. The landowner should consult others for matters relating to the Internal Revenue Service.
- Notify the landowner in writing the appraised value of the land or interests in land that will be entered into the FLP. The agreed-upon price does not have to be the same as the appraised price, but the landowner must be notified of the appraised value. An amount up to the appraised value of the lands or interests in lands may be counted as either the Federal share or the non-Federal cost share.
- A new appraisal or “update” is necessary when there has been a change to the physical, legal characteristics of the property or market conditions have changed from when the appraisal was completed, or a change in the conservation easement language affects the value. “When an appraisal has been made any substantial period in advance of acquisition, the appraisal must be carefully reviewed and brought up to date (by the original appraiser) to reflect current market conditions.” (Yellow Book, D-13) You must go back to the appraiser with any change to the legal description/acres or the easement language to ensure that the appraisal will match the acquisition.
- The appraisal must have a technical review completed by an appropriately qualified government or nongovernment appraiser to determine compliance with the Yellow Book, USPAP, and appropriate written instructions. The review does not approve or concur with the value. Refer to the Yellow Book, C-1, C-2.

- You may (or may not) need to provide appraisal information to other parties if requested. Refer to your State law regarding “protected records.” In some States, appraisals are public after the project is completed and the easement purchased.

References/Additional Information

Uniform Appraisal Standards for Federal Land Acquisitions, (2000)
www.usdoj.gov/enrd/land-ack

Uniform Standards of Professional Appraisal Practice — Current copy can be found at
www.appraisalfoundation.org

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