



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, DC 20240



IN REPLY REFER TO:

National Policy Memorandum

**Bureau of Indian Affairs
Director**

**Number: NPM-TRUS-5
Title: High Value Individual Ownership Interests
On the Gila River Reservation**

**Effective: May 20, 2005
Expires: May 20, 2006**

1. Purpose

The purpose of this policy is to obtain the most benefit for the cost incurred and to have the greatest impact on reducing the rate of fractionation and the Department's administrative burden.

The Indian Land Consolidation Act Amendments of 2004, P.L. 108-374 (the Act) made the Indian Land Consolidation Program (ILCP) permanent. In April 2003, the Bureau of Indian Affairs (BIA) established the Indian Land Consolidation Center (ILCC) to provide policy guidance, establish procedures and manage ILCP as it was expanded nationally. ILCC is to lead the effort to purchase fractional interests (both surface and subsurface) in trust or restricted lands from willing sellers at the discretion of the Secretary of the Interior.

All funding expended through ILCP is carefully monitored by the Department of the Interior (the Department) and the Office of Management and Budget (OMB) against the results exhibited by the program. ILCP has, since its inception in April 1999, emphasized the acquisition of small fractionated interests that represent 2 percent or less of a parcel of trust or restricted land. The goal has been to reduce the fractionation of small, predominately unproductive interests and to consolidate those interests into viable units available for purchase by other owners in the parcel or acquired for the benefit of a tribe.

Based on an April 4, 2004 Market Analysis report provided by the Department's Office of Appraisal Services, the Gila River Reservation, located on the Pima Agency in South Central Arizona, is a reservation that contains approximately 7,785 owners with approximately 148,166 fractionated interests on 9,161 allotments. Because part of the North Reservation boundary borders Tempe and Chandler, Arizona, 2,113 (approximately 23%) tracts are valued between \$141,000 and \$238,200 (see attached break out).

The highest value is \$238,200 per acre (on 104 tracts). The lowest value is \$2,000 per acre (on 195 tracts). The Market Analysis indicates 7,039 tracts (approximately 77%) have values ranging from \$2,000 to \$33,250 per acre (Desert Recreational, Rural Residential and Agricultural uses).

2. Scope

This policy applies to the Pima Agency of the Western Region.

3. Policy

Because future funding has been dependent, in part, on the continued successful acquisition of multiple interests at a reasonable cost to the Federal Government and because funding for acquisition is limited, the Pima ILCP will focus on purchasing highly fractionated interests within the approximate 77% of those tracts that are classified for use as Desert Recreational, Rural Residential and Agricultural (low value). Interests in tracts classified as Commercial or Industrial (high value) generally will not be acquired through the ILCP, except when their acquisition can be shown to be a benefit to the government.

The goal is to obtain the most benefit for the cost incurred and to have the greatest impact on reducing the rate of fractionation and the Department's administrative burden. ILCP's first priority will be to target highly fractionated ownership interests that are 2% or less within low value zones of land on the Gila River Reservation from willing sellers. The purchase of interests greater than 2 percent within the Desert Recreational, Rural Residential and Agricultural uses or interests less than 2% in the Commercial/Industrial areas should be considered only after review of the case file and a clear determination is made that the cost incurred will include a cost savings to the Federal Government such as when a total "buy out" of an owner's interests will result in the closure of his/her IIM account, elimination of trust oversight and elimination of probate responsibilities. To accomplish this goal it will be permissible to acquire interests from high value zones without great cost if the interests are very small i.e., .001 or 1/1,000. A threshold of \$7,000 will be established. Very small fractionated interests in tracts located in high value zones of the Reservation may be included for purchase if it is in the best interest of the ILCP. In all cases, ILCP staff will be expected to complete a review of each case, as a regular part of the approval process, in order to determine the cost benefits to all parties and as a basis to make sound decisions.

Where fractionated tracts or interests within tracts have been identified by a Tribal Consolidation Plan as a priority acquisition, acquisition of the interests will not be automatic. ILCP staff will be expected to complete review of each case, as a regular part of the approval process, in order to determine the cost benefits to all parties and make sound decisions.

Any unresolved issues or questions should be referred to ILCC for final resolution.

GILA RIVER Fractionated Tracts/Values:

<u>Price/Per Acre</u>	<u>Number of Tracts</u>	<u>Classification</u>
\$2,000	195	Desert Recreational
\$5,500	2,203	Rural Residential
\$8,100	3,619	Irrigated Agricultural
\$11,500	114	Rural Home site
\$14,000	522	" " "
\$18,000	154	" " "
\$22,000	178	" " "
\$33,250	54	" " "
	<u>7,039 (77%)</u>	
\$141,000	553	Industrial
\$148,000	1	Commercial
\$153,500	810	Commercial
\$159,500	636	Industrial
\$210,000	9	Commercial
\$238,200	104	Commercial
	<u>2,113 (23%)</u>	
Total Tracts	9,152	Approximately 148,166 total interests Average of approximately 17 interests per tract

4. Roles and Responsibilities

Director, Bureau of Indian Affairs (BIA). The BIA Director is responsible for the development of National Policy affecting Indian lands.

Director, Indian Land Consolidation Center, The ILCC Director is responsible for coordinating the Bureau's nationwide program to consolidate fractionated interests in Indian lands pursuant to statutory requirements.

Deputy Director, Field Operations, BIA. The BIA Deputy Director of Field Operations is responsible for overseeing the Regional Directors and disseminating policy to them.

Deputy Director, Trust Services, BIA. The BIA Deputy Director of Trust Services is responsible for assisting in the dissemination of trust resource policy and information to the Regional Directors.

Regional Directors, BIA. The BIA Regional Directors are responsible for carrying out policy as directed, and for overseeing the implementation of policy either directly or via Agency Superintendents.

5. Approvals

/sgd/

William Pat Ragsdale
Director, Bureau of Indian Affairs

5/25/05

Date