

Real Property Purchase Guidelines for PILOT Projects

You must have specific approval from OSMRE before you spend any PILOT funds to acquire real property. ([FAM 2-200-100 A](#))

You must demonstrate to OSMRE that acquisition of the property is necessary to achieve the goals of your PILOT project, and that other options such as easements or a different location are not viable. ([FAM 2-200-120 A](#))

The acquisition of real property with PILOT funds must comply with [2 CFR Part 200.311](#) and the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 ([49 CFR Part 24](#)) for the acquisition, use and disposition of the land. ([FAM 2-200-110 D](#))

You will hold title to all real property. Title vests in your organization upon acquisition. You must not encumber your title or interests in real property. ([FAM 2-200-100 B](#)) ([2 CFR Part 200.311](#))

A property appraisal shall be prepared for the acquisition of the subject property. A state-certified real estate appraiser should prepare the property appraisal. The appraiser should be certified for general property appraisals, not just for residential properties. ([FAM 2-200-120 G](#)), (p/o [49 CFR Part 24. 103](#))

OSMRE's contribution to the purchase price of the property must not exceed the appraised fair market value. ([FAM 2-200-120 F](#))

You shall make all reasonable efforts to contact the owner or the owner's representative, discuss your offer to purchase the property, including the basis for the offer of just compensation, and explain your acquisition policies and procedures and the rights of the landowner under Federal law to receive the appraised fair market value of the property. ([49 CFR Part 24. 102](#))

You shall make a written offer to the owner to acquire the property for its full appraised fair market value. Prior to making an offer for the property, clearly advise the owner that you are unable to acquire the property if negotiations fail to result in an agreement; and inform the owner in writing of what you believe to be the fair market value of the property. The owner shall be given reasonable opportunity to consider the offer and present material, which the owner believes, is relevant to determining the value of the property and to suggest modification in the proposed terms and conditions of the purchase. ([49 CFR Part 24. 102](#))

PILOT projects will not acquire property through condemnation. ([49 CFR Part 24. 102 h](#))

The deed of transfer must specify that the property will be used for the purposes of the PILOT project in perpetuity. If the original owner organization dissolves or is unable to continue managing the property as intended, the property must be transferred (with the original deed restrictions) to another entity with similar goals. The new owner organization must continue to operate, and maintain the property as appropriate. The deed of transfer must also specify that if the owner determines the property is no longer needed for the purposes stated in the deed, the owner will notify and consult with the DOI/OSMRE for appropriate disposition instructions. ([FAM 2-200-120 I](#))

OSMRE requires the PILOT applicant submit reports annually on the status of real property for the period of time in which the Federal government retains an interest. ([2 CFR 200.329](#))