

COMMONWEALTH OF PENNSYLVANIA
Department of Conservation and Natural Resources
Revised: 12/27/10 10:00 A.M.

Bureau of Recreation and Conservation (BRC)
Administrative Policy/Grant Guidelines

SUBJECT: BRC Acquisition Grant Policy: Requirements for Property Appraisals, Boundary Surveys and Title Work.

EFFECTIVE DATE: 10/5/09

REVISED DATE: 12/27/10

BACKGROUND: The following is to provide guidance on requirements for appraisals, boundary surveys and title work for acquisition grants.

POLICY:

Eligible land acquisition costs will be determined by DCNR on the basis of appraisals prepared by state certified general real estate appraisers. Grants may be in an amount of up to 50% of the approved fair market value estimate for a property or easement, or the actual purchase price, whichever is less. DCNR may choose to provide partial funding for a land acquisition project based on limited rights or partial public access to a property. DCNR may provide funding for easements only when they will conserve the entire property of interest and DCNR's funding contribution is based on 50% of the high protection area designated (PALTA easement model).

Related land acquisition project expenses for items, such as appraisals, phase 1 environmental site assessment, boundary survey, title search, title insurance, settlement costs, certain legal costs, taxes, Bureau required signage and PNDI surveys, may be included as part of the project cost and are eligible for up to 50% reimbursement.

DCNR will reimburse up to fifty percent of the combined costs of the land acquisition and the eligible related acquisition project expenses, as listed in the previous paragraph. These combined costs cannot exceed the awarded grant amount. The Grantee is responsible for all costs not reimbursed by the Grant.

If land (or an easement) will be purchased by a grant applicant at a price that is less than the appraised value of the land (for example, in a bargain sale), the difference between the appraised value and the purchase price may be considered a donation to the applicant (DCNR's grantee). The value of this donation ("land donation value") may be used by the applicant as a one-time non-cash match for the acquisition grant which can be for up to but not more than 50%

of the appraised fair market value which is clearly identified in the grant application. Any donated value approved can only be applied to that grant. Any excess value cannot be carried over to another project. All land donated as match for DCNR funding must meet all other grant requirements. For acquisition projects, this type of match is the only form of non-cash match that is permitted by the Bureau. The appraised value of donated land can also be used as non-cash match on development projects. Applicants/grantees should not take title to the land until the grant being applied for is approved. The noncash value of the land can only be used as match if the grantee accepts title to the property within the grant contract period. In either case, grants that include donated land value must be supported with appropriate documentation (for example, IRS Form 8283) that demonstrates the value and the fact that the land/easement value was actually donated.

Appraisals, Boundary Survey and Title Search/Certification Requirements:

A. Appraisals:

All acquisition projects funded by the Bureau of Recreation and Conservation are required to have 2 appraisals, a boundary survey plan sealed by a PA registered land surveyor, and a title report covered with a certificate of title or certificate of title letter from an attorney. The DCNR project manager will review the appraisal report(s), boundary survey and title work for determination of an approved fair market value. Appraisals need to be current - generally speaking no more than 6 months to one year old.

One appraisal must be submitted at the time of application. If a grant is awarded, a second appraisal is normally required. All appraisals must be done by a State Certified **General** Real Estate Appraiser and should be presented as **Self-Contained** Appraisal Reports (including site photos) in accordance with the most current edition of the Uniform Standards of Professional Appraisal Practice. The standards can be found through a number of sources including: <http://www.vanderwerffandassociates.com/USPAP.pdf>. In limited circumstances, the requirement for a second appraisal may be waived. For example, when the market value stated in the first appraisal will exceed the value of the grant and the first appraisal is current and meets DCNR standards, then the second appraisal requirement may be waived.

Appraisals need to clearly indicate the spectrum of interests/rights being appraised. The inclusion or exclusion of rights appraised including but not limited to surface, mineral (coal and hard mineral), oil, and gas, wind, timber, etc. needs to be clearly disclosed. To ensure that the appraisal reflects the value of the rights being acquired a title search should be done prior to or as part of the appraisal process. A title search and certificate of title signed by an attorney is required prior to project completion and closeout. Applicants are strongly encouraged to complete this prior to the appraisal being ordered and conducted.

Appraisals done by Certified Residential Appraisers or Broker Appraisers will not be accepted by the Bureau. Also, appraisals submitted without the information, analysis and documentation required for a Self-Contained Appraisal Report will not be acceptable (i.e. current deed, zoning ordinance, etc.).

Grants funded with federal funding under the Land and Water Conservation Fund program require a "complete narrative report" done by a State Certified General Real Estate Appraiser in accordance with the Uniform Appraisal Standards for Federal Land Acquisition. The appraiser should certify in writing that each appraisal complies with Uniform Appraisal Standard for

Federal Land Acquisition. The standards can be found through a number of sources including:
<http://www.usdoj.gov/enrd/land-ack/yb2001.pdf>

B. Boundary Survey:

A boundary survey plan is required to close out the project. The boundary survey establishes the property lines for all the property or easement acquired under the grant project. The boundary survey plan should contain the following: The location of the monuments (placed or found) at the property corners; location of existing easements and rights-of-way of record; calculation of acreage; a description of the property; signature and seal by a PA Registered Land Surveyor acknowledging the survey to be true and correct to the best of their knowledge,

It is highly recommended the boundary survey plan be recorded in the County Recorder of Deeds Office to place the public on notice of the boundary of the property or easement acquired.

For additional information please review the Boundary Survey - Frequently Asked Questions attached at the end of this policy

C. Title Work Requirements:

Prior to DCNR approval to proceed to settlement, DCNR must receive a copy of the title report and the certificate of title/certificate of title letter verifying in writing that no outstanding title issues exist. Title insurance is also required. The grantee should consider having a title search performed prior to submitting a grant application. Title work should determine if any rights, such as oil, gas, mineral (coal and hard mineral), timber and/or wind have been severed from the property. This information should be provided to the appraiser in order to allow the appraiser to clearly indicate the spectrum of the interests/rights being appraised.

Also, any recorded oil and gas leases, farm leases and/or any other leases and/or agreements associated with the property should be submitted with the grant application and provided to the appraiser.

This policy remains in effect until revised or rescinded.

Boundary Survey FAQs

What is a boundary survey?

A boundary survey determines the property lines of a parcel of land described in a deed. It will also indicate the extent of any easements or encroachments and may show the limitations imposed on the property by state or local regulations, right-of-ways, easements, encroachments, etc.

What does a standard boundary survey entail?

The surveyor thoroughly examines the historical records relating to the land in question and often all lands surrounding it. In addition to the Registry of Deeds this research may include: the Registry of Probate, county commissioners' offices, town offices, historical associations and the Department of Transportation. The surveyor may also talk with prior owners and adjoiningers.

The field work begins after the research and involves establishing a control network of known points called a traverse. The points are used to search for and locate existing monuments and other evidence of the boundaries. Although the field portion of a survey is the most visible phase of surveying, it usually represents only a third of the entire boundary survey.

The results of the field work are compared with the research and the surveyor then reconciles all the information to arrive at a final conclusion about the boundaries. A second field trip is then needed to set the new monuments. Finally, the surveyor will draft a boundary survey plan, prepare a legal description and write a report.

What are the results of a boundary survey?

Depending on the services agreed on, a boundary survey may produce:

1. Monuments at all property corners (see types of monuments below)
2. A written description of the property
3. A boundary survey plan
4. A report explaining the basis of decisions and judgments made to determine the boundaries.

How will the boundaries be marked?

This also depends on what the client and the surveyor have agreed to. Monuments may include wooden posts, iron pins or pipes, marked trees or concrete monuments. Additionally, you may want to have the surveyor blaze and/or paint trees along the boundary line.

Is a boundary survey plan necessary?

Unless the client specifically excludes a plan from the scope of services, State rules require that one be prepared. The plan provides the client with a permanent record of the survey. If any of the monuments are lost or destroyed, they can be replaced with the information shown on the boundary survey plan. All boundary survey plans must be sealed and signed by the surveyor indicating that the survey conforms to State standards and that the surveyor has checked the work and stands ready to defend it.

The boundary survey plan should also be recorded in the Registry of Deeds. This not only preserves the work for future reference, but also puts the public on notice that the area shown has been thoroughly researched and documented. In a sense it provides insurance against most claims or disputes.