

(g) Value findings are now authorized on properties of \$500 or under, as follows:

The cost of small "nominal value" tracts of right-of-way is eligible for Federal funds participation when acquired without formal written appraisals, but on the basis of written "value findings" made by qualified highway department staff of fee personnel. In connection with very small takings some highway departments prescribe a minimum payment to a property owner. Federal funds may participate in such payment if they do not exceed \$50 per parcel. IM 21-8-67, February 24, 1967.

(h) Federal funds may participate in the first two appraisals made for any parcel valued at over \$500. Federal funds may participate in the cost of two or more appraisals on parcels valued at less than \$500 upon prior approval by the division engineer on a parcel basis. IM 21-8-67, February 24, 1967.

(i) A significant policy relating to control of access impairment has been revised to read as follows:

Payments made for personal property, loss of business or goodwill, inconvenience of travel and diversion of traffic, or other items of damage not generally compensable in eminent domain, are not considered eligible for Federal participation. Federal funds will participate in payments made for loss of access impairment of access if such payments are based upon elements of damage generally compensable in eminent domain. Paragraph 5n, PPM 80-1, July 28, 1967 (formerly 6b of PPM 21-4.1).

"(3) Are your negotiators allowed to make an offer for the acquisition of real property below the agency approved appraisal; and, if so, under what circumstances or rules is such action permitted?"

Under our procedures, the negotiator must offer the property owner the full current market value of the property to be taken, as determined by the State reviewing appraiser, at the first contact where price is discussed. Such an offer must be presented in writing at the time the verbal offer is made, and is confirmed in writing on or prior to the second negotiating contact. The written offer can be in the form of a letter, deed, option, agreement, etc. The negotiator must record the amount of all offers in his record of call report, and such report must be made a part of the parcel file. PPM 80-4, paragraph 3 (b).

"(4) Since January 1, 1965, state the following:

(a) Number of purchases in which the initial offer was less than the agency approved appraisal;"

Since November 30, 1965, it has been our requirement that the initial offer to the property owner be the full amount of the reviewing appraiser's estimate of value. This amount in most cases is the amount of an appraisal. On properties requiring more than one appraisal, in most cases, the reviewing appraiser will select one of the appraisals as the amount of offer. Current regulations prohibit Federal-aid participation on parcels where less than the State's approved estimate of value was offered and settlement made on that basis.

"(b) number of actual purchases made at less than the agency approved appraisal;"

As indicated above, such purchases would not be eligible for Federal aid reimbursement because they are contrary to our regulations. To our knowledge, no records of such purchases are being kept by the State. In any event, we have no present knowledge of the extent of such purchases, but in any case, they must be negligible or nonexistent.

"(c) number of purchases made at the agency approved appraisal;"

An extensive analysis of State right-of-way purchases and files would be required to provide precise data on this point. However, the majority of right-of-way purchased by the States fall into this category; we estimate that to be approximately 80 percent of all acquisitions.

"(d) number of purchases made above the agency approved appraisal"

Purchases above appraisals involve administrative or stipulated settlements, and such action would require justification as specified in our regulations. This category is estimated to account for approximately 10 percent of the total acquisitions that qualify for Federal-aid reimbursement. The remaining 5 percent go to condemnation to clear title or other technical reasons and 5 percent go to contested trial. The above are national averages; there could be variations from State to State and region to region.