

## STATE FISCAL ACCOUNTABILITY AUTHORITY'S (SFAA) EASEMENT POLICY

- 1.** Except as otherwise provided herein, fair market value will be charged for easements (Easement Value), and fair market value will be the difference in the value of the remaining state land subject to the easement (the Servient Estate) before and after the easement was granted.
- 2.** After Applicant and Admin have come to an agreement on the easement terms, the Easement Value shall be determined. Except as provided below, the Easement Value must be determined by an appraisal conforming to all applicable and then-current standards known as the Uniform Standards of Professional Appraisal Practice (USPAP) and performed by a qualified Real Estate Appraiser. To be qualified a real estate appraiser must (1) be licensed in South Carolina; (2) have previously issued appraisals of easements; (3) have previously issued appraisals of government property; and (4) hold an MAI, SRPA, SRA, AI-GRS or AI-RRS designation. The Applicant shall secure the required appraisal at Applicant's expense. Prior to conducting the appraisal, the Appraiser must (1) provide Admin with a signed statement evidencing they meet the above qualifications and (2) obtain directly from Admin the proposed terms of the easement involved clearly delineating what rights the State will retain in the Servient Estate. The appraisal must state that Admin and the State of South Carolina may rely upon the appraisal for its intended use. Absent written justification from the Applicant and approved by Admin, the appraisal must be without special assumptions or client conditions.
- 3.** If an Applicant documents that the cost of an appraisal is anticipated to be excessive in relationship to the diminution in value to the Servient Estate, then, upon approval by the Authority as recommended by Admin, an appraisal will not be required, and the Easement Value will be determined instead by contacting the County Tax Assessor to obtain an estimate of the value of real property in the area of the county where the easement is to be located.

- 4.** If the easement is solely for construction and maintenance of power lines, pipe lines, water and sewer lines, railroad facilities, roads, streets or highways, or other utilities such as telecommunications lines and is to be approved pursuant to S.C. Code Sections 1-11-80 or 1-11-90, an appraisal will not be required and the State will use the most recent average selling price per acre of unimproved agricultural land in the county where the easement is to be located based on Department of Revenue data as fair market value for that portion of the easement that lies across navigable waterways or submerged lands.
- 5.** An easement may be granted for nominal value (and without appraisal) only if the easement is used primarily to benefit either State government or the State entity that uses the property and the easement terminates if the easement is no longer used primarily to benefit the Servient Estate, State government or the State entity that uses the property.
- 6.** Other than those easements approved pursuant to S.C. Code Sections 1-11-80 or 1-11-90, a request for an easement to be granted to a private individual or private entity must be accompanied by a written justification explaining what alternatives to an easement were considered (e.g., lease or license) and why those alternatives were determined insufficient.
- 7.** Every easement request must be accompanied by a written explanation that justifies the proposed duration of the easement. The duration of easements will be limited to no more than fifty years absent exceptional and compelling circumstances.
- 8.** For all easements, the Applicant will be charged a \$700 administrative fee (Administrative Fee) and the Easement Value as determined in accordance with this policy. The Administrative Fee will increase annually by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) South Region from July of the prior fiscal year.
- 9.** Political subdivisions will be charged in the same manner as any other Applicant for any easement requested to be approved by the Authority, regardless of the location.
- 10.** Nothing herein should be considered an interpretation as to the scope of the Authority's approval authority, and Applicant shall be advised that no approval by Admin shall guarantee approval of any easement request by the Authority.