

§ 2806.11

such fees. BLM may exempt, waive, or reduce rent for a grant under §§ 2806.14 and 2806.15 of this subpart.

(b) If BLM issued your grant on or before October 21, 1976, under then existing statutory authority, upon request, BLM will conduct an informal hearing before a proposed rent increase becomes effective. This applies to rent increases due to a BLM-initiated change in the rent or from initially being put on a rent schedule. You are not entitled to a hearing on annual adjustments once you are on a rent schedule.

§ 2806.11 How will BLM charge me rent?

(a) BLM will charge rent beginning on the first day of the month following the effective date of the grant through the last day of the month when the grant terminates. *Example:* If a grant became effective on January 10 and terminated on September 16, the rental period would be February 1 through September 30, or 8 months.

(b) BLM will set or adjust the annual billing periods to coincide with the calendar year by prorating the rent based on 12 months.

(c) If you disagree with the rent that BLM charges, you may appeal the decision under § 2801.10 of this part.

§ 2806.12 When do I pay rent?

(a) You must pay rent for the initial rental period before BLM issues you a grant.

(b) You make all other rental payments for linear rights-of-way according to the payment plan described in § 2806.23 of this subpart.

(c) After the first rental payment, all rent is due on January 1 of the first year of each succeeding rental period for the term of your grant.

§ 2806.13 What happens if I pay the rent late?

(a) If BLM does not receive the rent payment within 15 calendar days after the rent was due under § 2806.12 of this subpart, BLM will charge you a late payment fee of \$25.00 or 10 percent of the rent you owe, whichever is greater, not to exceed \$500 per authorization.

(b) If BLM does not receive your rent payment and late payment fee within

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30 calendar days after rent was due, BLM may collect other administrative fees provided by statute.

(c) If BLM does not receive your rent, late payment fee, and any administrative fees within 90 calendar days after the rent was due, BLM may terminate your grant under § 2807.17 of this part and you may not remove any facility or equipment without BLM's written permission (*see* § 2807.19 of this part). The rent due, late payment fees, and any administrative fees remain a debt that you owe to the United States.

(d) If you pay the rent, late payment fee, and any administrative fees after BLM has terminated the grant, BLM does not automatically reinstate the grant. You must file a new application with BLM. BLM will consider the history of your failure to timely pay rent in deciding whether to issue you a new grant.

(e) You may appeal any adverse decision BLM takes against your grant under § 2801.10 of this part.

§ 2806.14 Under what circumstances am I exempt from paying rent?

You do not have to pay rent for your use if:

(a) BLM issues the grant under a statute which does not allow BLM to charge rent;

(b) You are a Federal, state, or local government or its agent or instrumentality, unless you are:

(1) Using the facility, system, space, or any part of the right-of-way area for commercial purposes; or

(2) A municipal utility or cooperative whose principal source of revenue is customer charges;

(c) You have been granted an exemption under a statute providing for such; or

(d) Electric or telephone facilities constructed on the right-of-way were financed in whole or in part, or eligible for financing, under the Rural Electrification Act of 1936, as amended (REA) (7 U.S.C. 901 *et seq.*), or are extensions of such facilities. You do not need to have sought financing from the Rural Utilities Service to qualify for this exemption. BLM may require you to document the facility's eligibility for REA financing. For communication site facilities, adding or including non-