The original documents are located in Box 67, folder "1976/10/20 HR9719 Payments in Lieu of Taxes (2)" of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

94TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
No. 94-1106

PAYMENTS IN LIEU OF TAXES ACT

REPORT

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

together with

ADDITIONAL AND SEPARATE VIEWS

TO ACCOMPANY

H.R. 9719

MAY 7, 1976.—Ordered to be printed

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94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1106

PROVIDING FOR CERTAIN PAYMENTS TO BE MADE TO STATE OR LOCAL GOVERNMENTS BY THE SECRETARY OF THE INTERIOR BASED UPON THE AMOUNT OF CERTAIN PUBLIC LANDS WITHIN THE BOUNDARIES OF SUCH STATE OR LOCALITY

MAY 7, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

together with

ADDITIONAL AND SEPARATE VIEWS

[To accompany H.R. 9719]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 9719) To provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. Effective for fiscal years beginning on and after October 1, 1976, the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in section 6) are located. Such payments may be used by such unit for any governmental purpose. The amount of such payments shall be computed as provided in section 2.

SEC. 2. (a) The amount of any payment made for any fiscal year to a unit of local government under section 1 shall be equal to the greater of the following amounts—

(1) 75 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)), reduced (but not below 0) by the aggregate amount of payments, if any, received by such unit of local government during the preceding fiscal year under all of the provisions specified in section 4, or

(2) 10 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b));

In the case of any payment under a provision specified in section 4 which is received by a State, the Governor (or his delegate) shall submit to the Secretary a statement respecting the amount of such payment which is transferred to each unit of local government within the State.

(b)(1) In the case of any unit of local government having a population of less than five thousand, the population limitation applicable to such unit of local government shall not exceed an amount equal to $50 multiplied by the population within the jurisdiction of such unit of local government.

(2) In the case of any unit of local government having a population of five thousand or more, the population limitation applicable to such unit of local government shall not exceed the amount computed under the following table (using a population figure rounded off to the nearest thousand):

If population equals—	*Payment shall not exceed the amount computed by multiplying such population by—*
5,000	$50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	32.00
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

For the purpose of this computation no unit of local government shall be credited with a population greater than fifty thousand.

(c) For purposes of this section, "population" shall be determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes.

(d) In the case of a smaller unit of local government all or part of which is located within another unit of local government, entitlement lands which are within the jurisdiction of both such units shall be treated for purposes of this section as only within the jurisdiction of such smaller unit.

SEC. 3. (a) In the case of any land or interest therein, acquired by the United States (i) for the Redwood National Park pursuant to the Act of October 2, 1968 (82 Stat. 931) or (ii) acquired for addition to the National Park System or National Wilderness Preservation System after December 31, 1970, which was subject to local real property taxes within the five years preceding such acquisition, the Secretary is authorized and directed to make payments to counties within the jurisdiction of which such lands or interests therein are located, in addition to payments under section 1. The counties, under guidelines established by the Secretary, shall distribute the payments on a proportional basis to those units of local government which have incurred losses of real property taxes due to the acquisition of lands or interests therein for addition to either such system. In those cases in which another unit of local government other than the county acts as the collecting and distributing agency for real property taxes, the payments shall be made to such unit of local government, which shall distribute such payments as provided in this subsection. The Secretary may prescribe regulations under which payments may be made to units of local government in any case in which the preceding provisions will not carry out the purposes of this subsection.

(b) Payments authorized under this section shall be made on a fiscal year basis beginning with the later of—

(1) the fiscal year beginning October 1, 1976, or

(2) the first full fiscal year beginning after the fiscal year in which such lands or interests therein are acquired by the United States.

Such payments may be used by the unit or other affected local governmental unit for any governmental purpose.

(c)(1) The amount of any payment made for any fiscal year to any unit of local government under subsection (a) shall be an amount equal to 1 per centum of the fair market value of such lands and interests therein on the date on which acquired by the United States. If, after the authorization of any unit of either system under subsection (a), rezoning increases the value of the land or any interest therein, the fair market value for the purpose of such payments shall be computed as if such land had not been rezoned.

(2) Notwithstanding paragraph (1), the payment made for any fiscal year to a unit of local government under subsection (a) shall not exceed the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to the National Park System or National Wilderness Preservation System.

(d) No payment shall be made under this section with respect to any land or interest therein after the fifth full fiscal year beginning after the first fiscal year in which such a payment was made with respect to such land or interest therein.

SEC. 4. The provisions of law referred to in section 2 are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251; 16 U.S.C. 500);

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States" (36 Stat. 557);

(3) section 35 of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", commonly known as the "Mineral Lands Leasing Act" (41 Stat. 450; 30 U.S.C. 191);

(4) section 17 of the Federal Power Act (41 Stat. 1072; 16 U.S.C. 810);

(5) section 10 of the Taylor Grazing Act (48 Stat. 1273; 43 U.S.C. 315i);

(6) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 U.S.C. 1012);

(7) section 5 of the Act entitled "To safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes", approved June 22, 1948 (62 Stat. 570; 16 U.S.C. 577g);

(8) section 5 of the Act entitled "An Act to amend the Act of June 22, 1948 (62 Stat. 568) and for other purposes" approved June 22, 1956 (70 Stat. 366; 16 U.S.C. 577g–1);

(9) section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 U.S.C. 355); and

(10) section 3 of the Materials Disposal Act (61 Stat. 681; 30 U.S.C. 603).

SEC. 5. (a) No unit of local government which receives any payment with respect to any land under the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753) during any fiscal year shall be eligible to receive any payment under this Act for such fiscal year with respect to such land. Nothing in this Act shall be construed to apply to the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753).

(b) If the total payment by the Secretary to any county or unit of local government under this Act would be less than $100, such payment shall not be made.

SEC. 6. As used in this Act, the term—

(a) "entitlement lands" means lands owned by the United States that are—

(1) within the National Park System, the National Wilderness Preservation System, or the National Forest System, or any combination thereof, including, but not limited to, lands described in section 2 of the Act referred to in paragraph (7) of section 4 of this Act (16 U.S.C. 577d) and the first section of the Act referred to in paragraph (8) of this Act (16 U.S.C. 577d–1);

(2) administered by the Secretary of the Interior through the Bureau of Land Management; or

(3) dedicated to the use of water resource development projects of the United States;

(b) "Secretary" means the Secretary of the Interior; and

(c) "unit of local government" means a county, parish, township, municipality, borough existing in the State of Alaska on the date of enactment of this Act, or other unit of government below the State which is a unit of general government as determined by the Secretary (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes). Such term also includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

SEC. 7. There are authorized to be appropriated for carrying out the provisions of this Act such sums as may be necessary: Provided, That, not withstanding any other provision of this Act no funds may be made available except to the extent provided in advance in appropriation Acts.

Amend the title so as to read: "A bill to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality.".

INTRODUCTION

That the Federal public lands be retained by the United States for the enjoyment and use of its citizens was the basic recommendation of the Public Land Law Review Commission when it submitted its report, "One Third of the Nation's Land," to the President and the Congress in 1970.

As a direct corollary of this decision, the Commission proceeded to make the following recommendation: that, if the historic policy of disposal of the lands is to be reversed, and thus forever keep such lands off the tax rolls of the States and counties, a system of payments in lieu of taxes should be established to compensate these units of government for the burdens resulting from the tax immunity of the public lands. In other words, if the lands were to be retained for all the people of the United States, the expense of retaining them ought to be borne by all of the citizens rather than only by those who live within the boundaries of the States and counties where the public lands lie.

H.R. 9719 seeks to translate many of the basic principles of this PLLRC recommendation into law. Its purpose is to recognize the burden imposed by the tax immunity of Federal lands by providing minimum Federal payments to units of local government in which these lands lie. The bill establishes a formula for payments and provides a floor and a ceiling for payments to such units of government based on the population and number of acres of lands eligible under the basic philosophy of the bill.

BACKGROUND AND NEED

The Federal government owns over 760 million acres of the 2.2 billion acres within the United States—approximately one third of all the land in this country. Alaska, Nevada, Idaho, Oregon, and Utah are all over 50 per cent federally owned (excluding lands held in trust). Approximately 1,000 counties in over 40 States are affected by holdings of federally owned, tax-exempt lands.

The tax immunity of these public lands places an unfair burden on the taxpayers within the counties and local government units where the lands are located. The Public Land Law Review Commission best summed up the need for this legislation with this recommendation:

> If the national interest dictates that lands should be retained in Federal ownership, it is the obligation of the United States to make certain that the burden of that policy is spread among all the people of the United States and is not borne only by those states and governments in whose area the lands are located.
>
> Therefore, the Federal government should make payments to compensate state and local governments for the tax immunity of Federal lands.

Over the years, the Congress has established programs to partially compensate states and local governments for the impact of Federal ownership, but in most cases the revenues that they receive do not approach what would be received from property taxes if these lands were in private ownership. For example, for fiscal year 1975, the major public lands acts returned to either the state of Colorado or its counties approximately $2.6 million in payments. However, applying the 1974 average county mill levy to the approximate valuation for Federal holdings in Colorado for the same year would have provided local government with revenues in excess of $50 million.

Most of the present payments bear no relationship to the direct and indirect burdens imposed on local governments by the presence and/or use of these Federal lands. Nor are the revenues a unit of government receives directly related to the total number of acres of Federal land.

Moreover, these public land payments have not kept pace with the increasing demands for governmental services. Studies done by the Public Land Law Review Commission documented that these payments are financing an increasingly smaller share of the growing revenue needs of these local governments. In 1950, total state and local government expenditures were $20 billion, whereas by 1972 this figure had increased to $166 billion. Several witnesses before the

Committee pointed out that new Federal requirements and particularly environmental standards, such as those required by EPA for sewage treatment, have placed considerable "mandated costs" on counties with relatively small populations and small taxes bases.

In addition, there are currently no payments to states and local governments for the 24.8 million acres in the National Park System or the 9.6 million acre National Wilderness System. These lands attract thousands of visitors each year, yet the intangible economic benefits to the local economy from tourist related activities in and adjacent to these lands do not usually accrue to the local taxing authority. Income and sales taxes are sources of funds for the state treasury, yet it is the local governments that must provide for law enforcement, road maintenance, hospitals, and other services directly and indirectly related to the activity on these lands.

Current payments for timber, grazing, and mineral leases provide an inadequate share for local government. These payments are based entirely on the amount of "production" so that many public land counties receive virtually no payments, and yearly fluctuations prevent predictable budgeting. The forest receipts returned to counties, for example, are as low as 1¢ an acre and averaged 48¢ an acre in the last fiscal year. In Pope County, Illinois, the National Forest occupies 40 percent of the land in the county. In 1975 a lower volume of timber cutting resulted in a 50 percent reduction from 1974 payments and as a result, the county had to discharge all its employees and inform the county officials that they could not be paid in the indefinite future. Several timber producing states are now undergoing 100 percent reductions in timber revenues as a result of the Monongahela court decision which put a halt to clear cutting in certain national forests.

The present system of shared receipts bears no relationship to the direct or indirect burdens placed on local governments by the presence of Federal lands. Most current payments are restricted to use for construction and maintenance of schools or roads. Yet, local governments provide many additional services such as law enforcement, search, rescue and emergency services, public health, sewage disposal, library, hospital, recreation, and other general local government responsibilities.

Local governments with small tax bases to work with are hard pressed to find new sources of revenues to fund services. Witnesses from the state of Utah pointed out that twelve of the 17 counties were now taxing property at the maximum rate allowable under the law. They have reached the limit of using the property tax to finance governmental services. Counties such as Lincoln County, Nevada which has 6.7 million acres or 98 per cent of its land base owned by the Federal government must derive its $100,000 budget for expenditures from the other 2 percent of the land, with only 1.3 percent of this budget offset by Federal contributions.

In Mineral County, Nevada, the Federal government owns 98.7 percent of the land. Even though Mineral County has a population of only 7,051 persons, it has a daily visitor/vehicle population of approximately 2,350 vehicles per day attracted by recreational opportunities on the Federal lands. These additional persons require services which place severe strain on the county's operating budget.

In Lincoln County, Nevada, with a population of 3,500, the Federal government owns 98.19 percent of the county's 6,790,000 acres. This is an area larger than Connecticut, Delaware, Hawaii, Massachusetts, New Hampshire, New Jersey, Rhode Island, or Vermont, and is equal in size to the state of Maryland. Of this Federal land, 5,740,400 acres are BLM land, for which Lincoln County received only $7,682 in 1974.

In Minnesota, Itasca County's total acreage is nearly 27 percent National Forest. The average total payment from timber receipts for the past 10 years was approximately 9 cents per acre or about $27,000 per year. Yet, according to testimony from county officials the cost to the county for services provided to the national forest is $500,000 per year and continues to increase yearly.

The situation is similar in county after county across the country: the Federal government as landowner does not pay what would be required if this land was on the tax rolls; nor does it adequately compensate counties for the burdens associated with the maintenance of local government services on these lands.

Although Administration witnesses from the U.S. Forest Service and Department of Interior opposed enactment of H.R. 9719 as introduced, they each endorsed the concept. In his testimony John R. McGuire, Chief of the Forest Service, stated:

> The Department of Agriculture recognizes, as did the Public Land Law Review Commission, that the present system used to share receipts from Federal lands are not uniform and have other shortcomings. We support, in concept, more equitable payments to help compensate for local services which benefit Federal lands.

Large population growth related to development of energy resources located on Federal lands along with greatly increased recreational use of these lands, has created, and will continue to create, overwhelming demands on local governments to provide services. Since these lands are a national resource there is a Federal responsibility to minimize the financial burden placed upon those jurisdictions in which the public lands are located.

It is the opinion of the Committee that H.R. 9719 as reported, is a positive and long overdue step toward solving a problem that is seriously straining the fiscal health of many local governments.

Major Issues

What should the level of payments be?

In developing a more equitable program to relieve local governments from the fiscal burdens created by the presence of the Federal lands, the Committee first considered the report and recommendations of the Public Land Law Review Commission.

The Commission recommended establishment of a system to assess the public lands and provide payments to local governments based on the assessed value for property tax. The Commission believed, however, that there are certain economic benefits that accrue to local governments from the presence of these public lands and that those benefits should be quantified and payments reduced accordingly, although little guidance was offered as to how such benefits could be accurately measured.

The Commission's recommendation, moreover, was to *replace* the numerous existing statutes for sharing revenue produced from the public lands with one in lieu payment. Over the years, Congress has adopted a number of statutes in an attempt to at least partially compensate States and counties for the loss of tax revenue from Federally owned lands. Under these laws, payments vary widely according to which lands are involved, the administering agency and the activity. Under these statutes, anywhere from 5 percent to 90 percent of revenue produced is returned to the States and counties, earmarked for schools, roads or other specific purposes. Most of these statutes were enacted before or without regard to local government tax structures and do not reflect current actual revenue needs or tax losses.

The Committee agreed with the Commission that the present system of sharing revenues from public lands is inequitable and inadequate, but concluded that it was not feasible at this time to repeal these statutes and establish instead a single system based solely on tax equivalency. Assessing all the public lands, the Committee concluded, would be an expensive, cumbersome and lengthy process which could result in innumerable disputes and perhaps most importantly, would necessitate creating an unnecessary bureaucracy.

Instead the Committee agreed on a formula based on a flat payment of 75 cents per acre to units of local government for "entitlement lands", deducting from this figure existing payments actually received by the local government under other statutes, and based also on the population of the unit of local government.

The population factor will significantly reduce payments per acre for counties with large amounts of public land and a relatively small population. In Lincoln County, Nevada, for example, 99 percent of the land is federally owned—a total of 6.74 million acres. Based on the 1970 population of Lincoln County of 2,557, payment under this Act would be limited to $127,850 (since the population is under 5,000, the payment is computed by multiplying the population by $50). The population cap, therefore, would limit new payments to Lincoln County to less than 2 cents per acre.

Tax immunity is not by any means a problem for western states only. Twenty-one states east of the Mississippi River have national forest lands, 25 have Corps of Engineer projects, and 21 have national parks. Many eastern counties are hard hit by the tax immunity of these lands and the low level of existing payments. In Cocke County Tennessee, for example, roughly 35 percent of the land is either in a national forest or within the Great Smokey Mountains National Park. For the 44,091 acres of national forest lands, the county received only $6,800 in fiscal 1975. Under H.R. 9719, as reported, the county would receive an additional $40,932 each fiscal year.

Testimony from the Forest Service indicated that for fiscal year 1975 the average county payment for forest receipts was 48 cents per acre. Yet these receipts vary widely and fluctuate from year to year depending on the level of productivity. Indeed, the economic recession has reduced forest receipts by $30 million for FY 1975—a significant decrease in revenue for many counties. H.R. 9719 will provide a predictable level of payments which does not now exist for these counties.

In developing a formula for payments, the Committee also established a maximum of $1 million which can be received under this Act by any unit of local government. The only local governments to receive $1 million under this Act would be those counties with extremely large Federal land holdings and populations of 50,000 or more. Under this provision, Maricopa County, Arizona, for example, which has 2.4 million acres of entitlement land and a population of over 900,000 would receive $1 million or an additional 41 cents per acre over present payments.

The 75 cent figure is a ceiling under this Act, but would not affect those counties now receiving more than that under existing laws. Some entitlement lands which are not now eligible for payments under the various programs, such as national parks or Bureau of Reclamation reservoirs, would provide 75 cents per acre—subject to the population limitations—but generally payments would be significantly less than 75 cents per acre. Indeed, the *average new payment* under this Act for the 375 million acres of entitlement lands outside Alaska would be approximately 32 cents per acre.

At present, where timber production is high, some counties receive more than 75 cents per acre from forest receipts. The report submitted to the Committee by the Department of Agriculture stated that for fiscal year 1975 eight of 39 States received payments of more than 75 cents per acre.

The Committee believes, however, that even these counties do not receive payments which are equal to tax equivalency or which reflect the burden of providing services. Moreover, these payments are restricted by statute to use for schools and roads at a time when demands for innumerable other governmental services continue to increase—services and responsibilities not generally provided by local governments when these statutes were enacted. Testimony before the Committee documented numerous examples where governmental services are nonexistent or inadequate in counties with large Federal acreage. These services must be provided regardless of the distance involved: school buses must travel in some cases over 100 miles round trip; expensive criminal trials must be conducted and crimes investigated; Federal pollution and sewage treatment standards must be met; and hospitals must be staffed for emergency and normal care.

For these reasons, the Committee bill includes an alternative of 10 cents per acre for counties not qualifying for the 75 cent per acre payment. The 10 cents an acre alternative, however, is not a minimum, since it also is subject to a limitation based on population; thus where this alternative would apply, it still would provide less than 10 cents per acre in many cases. The payment formula contained in H.R. 9719 will provide all affected jurisdictions with some relief with some additional payments over what now exists. And while the Committee stopped short of an in lieu payment, this formula will at least bring these jurisdictions a step closer to tax equivalency.

For what lands should the payments be made?

Another fundamental question addressed by the Committee was which Federal lands should qualify for payments. Should payments be limited to those "natural resource" lands which now produce revenue? Or should payments be made for other Federal lands, such as military reservations, property held by the General Services

Administration, Indian reservations and national parks, wilderness areas, wildlife refuges, and reclamation projects?

The Committee determined that the most serious problems of tax immunity exist for areas where there are large concentrations of public domain under the jurisdiction of the Bureau of Land Management and National Forest lands under the jurisdiction of the Forest Service. It is these lands—approximately 657 million acres out of the 760 million acres of Federally owned lands—which produce most of the $750 million in revenues each year from mineral leasing fees, bonuses and receipts, timber sales, grazing fees, and the sale of other materials. Of this $750 million, approximately $250 million is now returned to the States and local governments under the variety of special revenue sharing statutes enacted over the years.

In addition to BLM and Forest Service lands, the Committee believed that lands within the National Parks System, National Forests Wilderness Areas, and lands which are utilized as reservoirs as a part of water development projects under the Bureau of Reclamation and Army Corps of Engineers should also be included as entitlement lands under this Act.

The designation of lands as national parks and wilderness areas precludes any mineral, grazing or timber revenues, yet the tax immunity of these lands is no less of a burden for local jurisdictions than national forests or BLM land. States and local government do not now receive any compensation for the tax immunity of these lands other than the unquantified and indirect benefits from visitors and tourists. Testimony from local and State officials documented the increasing fiscal demands for governmental services in these areas. While the Committee does not discount the fact that some benefits accrue to localities where national parks, monuments and wilderness areas are located, the revenues produced for the local community does not match the burdens of providing additional police and fire protection, search and rescue service, medical and hospital facilities, and other governmental responsibilities required in and around these areas because of the influx of visitors.

Lands utilized as reservoirs as a part of water resource projects under the Corps of Engineers and the Bureau of Reclamation were included for similar reasons. These reservoir areas in many cases were once on the tax rolls. They also now receive heavy recreational use which in turn creates new demands for governmental services.

The Committee concluded, however, that the scope of this legisla-legislation should be limited to the above described lands and not include military reservations, GSA property, fish and game refuges or Indian lands. While there are certainly fiscal burdens associated with the tax-exempt status of these other lands the Committee recognized the need for fiscal restraint. Moreover, these other Federal lands do not demand the same level of need for governmental services as those included within the scope of the legislation. Federal lands eligible for payments in lieu of taxes were designated "entitlement lands" in section 6 of the bill because they are believed to have the greatest impact on the fiscal health of units of local government and create

the vast majority of the problems related to the tax immunity of Federal lands.[1]

Should special provision be made for Federal lands acquired from private ownership?

A related problem of tax immunity arises when the Federal government acquires private lands for additions to the National Parks System and the National Forest Wilderness System. For example, when the private land is acquired for Cuyahoga Valley National Recreational Area, authorized by the 93d Congress, one township will lose 26 per cent of its property tax base.

To ease the impact of such a Federal acquisition, the Committee approved an amendment to reduce the burden imposed by the sudden loss of this tax base by compensating units of local government for a five-year period at the rate of 1 per cent of the fair market value of the acquired lands (or not to exceed the actual property taxes assessed and levied on the acquired lands during the last year before acquisition). This provision of the bill also would apply retroactively to January 1, 1971, as well as to lands acquired for the Redwood National Forest, which was created by a legislative taking in 1968.

Lands acquired after January 1, 1971 by the Federal government for parks and wilderness areas would receive an annual payment for five years. This involves a relatively insignificant amount of acreage acquired for wilderness areas. The total acquisition costs by the National Park Service from January 1, 1971 to December 31, 1975 totaled approximately $292 million. Since the acquisition program extends over many years and under the assumption that the current rate of acquisition continues at $75 million annually, the cost of this provision for fiscal year 1977 would be $4.2 million, rising to $7.2 million by FY 1981.

The intent of section 3 is to equalize the fiscal burden caused by the acquisition of private lands for new parks and wilderness areas and to reduce the immediate and direct financial impact on the affected local jurisdiction. This burden is often cited as the most important source of opposition to the establishment of new parks where land, however valuable to our national heritage, is now on the tax rolls and producing revenue.

To whom should the payments be made?

Under existing programs for sharing public land revenues, the Federal government returns a percentage of revenues to the States,

[1] Major Federal holdings not within the scope of H.R. 9719 are as follows (as of June 30, 1974):

Federal administering agency	*Acreage*
Fish and Wildlife Service	30,811,823.1
Department of the Defense	22,934,584.8
Bureau of Indian Affairs	4,969,050.8
Atomic Energy Commission	2,105,587.8
Tennessee Valley Authority	924,660.2
Agricultural Research Service	400,771.8
Department of Transportation	200,847.1
National Aeronautics and Space Administration	137,125.9
Department of State	122,062.4
Federal Aviation Administration	59,577.5
Department of Commerce	55,639.9
National Oceanic Atmospheric Administration	51,333.9
Federal Railroad Administration	38,034.7
Department of Justice	27,539.0
Veterans' Administration	22,082.5
General Services Administration	16,820.7
Bonneville Power Administration	13,349.8

which are then distributed to state and local governments according to State law and the requirements of the Federal statutes. For example, while receipts from timber production and grazing on national forest lands are passed on to the counties, mineral leasing receipts are paid to the States for use for schools and roads. Some States pass on a percentage of mineral leasing receipts to counties and others do not, although there are indirect benefits to local governments from most of these funds.

H.R. 9719 requires that any payments under the ten statutes set forth in section 4 that are actually received by a unit of local government are to be deducted from payments under this Act. The Committee realized that in most cases only a small percentage of mineral leasing revenues produced within a county are returned to that county by the State, and to preclude penalizing these counties the Committee determined that only those monies actually received by the local government should be deducted.

Moreover, the Committee believes that payments under H.R. 9719 should go directly to units of local government since it is the local governments that assume the burden for the tax immunity of these lands. The Committee does not believe these new payments should be restricted or earmarked for use for specific purposes and the bill allows these payments to be used for any governmental purpose.

It is the general purpose local governments which are the taxing authorities and the units responsible for providing services and which should be the recipients of these payments. In most cases this will be counties, but where entitlement land is located within two jurisdictions concurrently—is within, for example, both a township and a county, and the governmental entity with taxing and spending authority is the township, the funds would go to that entity.

In New England, it is often the towns and not the counties that have taxing and spending responsibilities. Under section 2(d), the town, as the smaller unit of local government would be the recipient of payments made under this Act for entitlement lands within its jurisdiction. The definition of "unit of local government" assures that counties, cities, towns, and townships, existing boroughs in Alaska, parishes and other units of local government that have general governmental responsibilities, as opposed to single purpose functions such as school districts and water districts, will be the recipients of these payments.

Section-by-Section Analysis

Section 1 directs that beginning October 1, 1976, the Secretary of Interior shall make annual payments, on a fiscal year basis, to each unit of local government in which entitlement lands (as defined in section 4) are located. These payments may be used for any governmental purpose.

Section 2 establishes the payment formula. The formula provides for a maximum payment under this Act of 75 cents per acre of entitlement land to units of local government. However, this payment cannot exceed a ceiling based on population and it is further reduced by any revenue from the public lands that is actually received by the unit of local government during the preceeding fiscal year under any of the statutes set forth in section 4. If, however, existing payments

under these statutes exceed what the unit of local government would receive under the 75 cents per acre formula, there will be an additional payment under this Act of 10 cents an acre, again subject to a ceiling based on population.

Section 2 contains a table for computing the population ceiling. The table establishes a dollar per capita figure to be multiplied by the population total, rounded off to the nearest thousand. In the case of any unit of local government having a population of less than 5,000, the population limitation will be $50 times the population; no unit of local government shall be credited with a population of greater than 50,000, thus establishing a maximum payment of $1 million.

EXAMPLE

An example of how the formula works follows using a hypothetical county with the following statistics:

Entitlement lands (acres):	
National Forest land	200,000
BLM land	400,000
National Park land	50,000
Population	10,000
Present payments:	
Forest receipts	$150,000
Grazing receipts	$50,000
Total	$200,000

The number of acres of entitlement land is multiplied by 75 cents times 650,000 acres equals $487,500.

This amount, however, is subject to a *ceiling* based on population (see table in section 2): $35 per capita times 10,000 population equals $350,000. Thus, the 75 cents per acre alternative is subject to a *ceiling* of $350,000.

Next, existing payments are *subtracted* from the amount computed—in this case a ceiling of $350,000 minus existing payments of $200,000 equals $150,000.

Under the 10¢/acre alternative, the county would receive $65,000. Since that is less than $150,000, the county receives $150,000.

If, however, existing payments to the county exceeded $350,000, then the county would only be eligible for the 10¢ alternative or $65,000 (10¢ times the entitlement acreage).

Section 2 also directs the States to submit to the Secretary an accounting of what public land revenues are actually transferred to each unit of local government.

Subsection (2)(d) addresses those situations where entitlement land is located within concurrent units of local governments. For example, in some cases National Park or other Federal land is located in both a county and a township. The smaller unit, the township is the unit of local government immediately burdened by the tax immunity of these lands. This provision insures that payments under the Act will go to the smaller unit of government when the entitlement lands are located within more than one unit concurrently.

Section 3 provides for an additional payment of 1 percent of the fair market value of lands added to the National Park and National Forest wilderness areas after December 31, 1970. This payment would only apply for the first five years following the acquisition of such lands or

five years after enactment of this Act for lands acquired prior to enactment, but after December 31, 1970.

The purpose of this section is to provide payments to localities that lose taxes as a result of the acquisition of private lands for national park and wilderness areas. Although it does not necessarily provide dollar-for-dollar tax equivalency to these localities, it does provide some temporary relief.

No assessment procedure is necessary since the fair market value is determined at the time of acquisition. If the land in question is rezoned after Congress has authorized acquisition, and this increases the value, the original fair market value will be the figure used to determine this payment.

Regardless of assessed value, any payment under this section shall not exceed the amount of property taxes assessed and levied on this property for the fiscal year preceding the fiscal year in which the property was acquired.

Payments authorized by this section will be made to counties, with the counties responsible for distributing the payments on a proportional basis to those units of local government which have incurred losses of real property taxes due to the acquisition of these lands by the Federal government. The Secretary would establish guidelines for this distribution, but the basic determination would be left to the counties—and thus to local rather than Federal control. In those cases (as in New England) where counties do not act as the collecting and distributing agency for real property taxes, the payments would go to those units of local government who perform those services. Although the above two provisions will take care of most cases, there may be unique exceptions—such as where another unit of local government as well as the county collects taxes. In such instances, the Secretary is authorized to issue regulations to assure that the purpose of this section is fulfilled.

The Redwoods National Park is included in this section because of the unusual circumstances surrounding its creation. This park was one of the few acquired by legislative taking where title passed from the former owners to the United States government on the date of enactment, October 2, 1968. These lands left the tax rolls on the date. Had the park been acquired by conventional authority, title of the land would not have immediately passed to the Federal government. Little if any of this land would have left the tax rolls for several years and the Redwood Park lands would have qualified under the January 1, 1971, acquisition date set in this Act.

Section 4 sets forth certain public laws under which units of local government now receive a percentage of revenues from natural resource lands. These payments would not be affected by this Act. However, payments made under section 2 of this Act would be reduced by the amount of payments actually received by units of local government from these programs. These statutes cover timber receipts, mineral receipts, Federal power receipts, grazing receipts and materials sold from the public lands. The provisions of law referred to in this section are as follows:

(1) National Forest receipts, 16 U.S.C. 500, under which the Forest Service pays 25 percent of all monies realized from sales of national forest timber to the States for distribution to the counties. These funds are earmarked for the benefit of schools and roads within the county in which the forest is located.

(2) New Mexico and Arizona Enabling Act, 36 Stat. 557, requiring payment by BLM of 3 percent of national forest gross receipts from designated school lands located within national forests in Arizona and New Mexico to those States.

(3) Mineral Lands Leasing Act, 30 U.S.C. 191, under which BLM pays 37½-percent of all receipts from mineral leases on public domain lands, excluding national parks, to the States to be used by the States or the subdivisions thereof for the construction and maintenance of public roads or schools, as the legislature of the State may direct.

(4) Section 17 of the Federal Power Act, 16 U.S.C. 810, providing that the FPC pay 37½-percent of the receipts from public lands used for power purposes to the States to be used in any manner designated.

(5) Taylor Grazing Act, 43 U.S.C. 315(i), providing for BLM payment of 12½-percent of fees received from grazing districts in a manner determined by the State legislature.

(6) Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1012, under which BLM and the Forest Service pay 20–25 percent of the revenue received from lands acquired under title III of the Act to the counties in which the land is located to be used for school and road purposes.

(7) and (8) Superior National Forest receipts, 16 U.S.C. 577(g) and 577(g)(1), which provide that U.S. Forest Service pay three-fourths of 1 percent of the appraised value of specified lands within the Superior National Forest to the counties in which these lands are located, to be used for any governmental purpose.

(9) Mineral Leasing Act for acquired lands, 30 U.S.C. 355: under which BLM makes payments equal to a percentage of products mined on all acquired land not covered by existing mineral leasing laws, excluding national parks and monuments, to either the States or counties depending on the applicable law, to be used in a manner determined by the applicable law.

Section 5 exempts 18 "O and C" counties in western Oregon from this Act. Those counties now receive revenue from timber receipts under separate statues enacted in 1937 and 1939. The Committee determined not to change any existing statues but only to provide new payments where existing programs were inadequate.

So that administrative costs do not exceed payments, section 5(b) directs that no payment of less than $100 will be allowed under this Act.

Section 6 defines "entitlement lands" eligible for payments under the Act. These lands include: all lands within the National Park System; National Forest lands; wilderness areas under the jurisdiction of the Forest Service; lands administered by the Bureau of Land Management; and, lands utilized as reservoirs as a part of water resource development projects under the Army Corps of Engineers or Bureau of Reclamation. Those eligible water resource lands are reservoir areas and does not include lands devoted to other purposes such as drainage or irrigation ditches, pipelines and transmission lines.

The total acreage of these lands (excluding Alaska) as of June 30, 1974 was as follows:

National Park System lands	17, 813, 207
National Forest System lands (includes wilderness)	166, 531, 648
Bureau of Land Management lands	174, 645, 831
Bureau of Reclamation	7, 532, 714
Army Corps of Engineers	7, 748, 326
Total entitlement lands (excluding Alaska)	374, 271, 726

Only those boroughs in Alaska existing at the date of enactment of H.R. 9719 are included as units of local government eligible to receive payments. Since the total acreage of entitlement land within the boroughs is considerable, in all cases the payments received under this Act will be determined by the population limit of the boroughs, less existing payments.

Units of local government include general purpose local governments as well as the governing units of the Commonwealth of Puerto Rico, Guam and the Virgin Islands.

Section 7 provides an authorization for appropriating such sums as may be necessary to carry out the provisions of this Act.

Committee Consideration

Bills to provide a system of payments to local governments to compensate for tax exempt public lands were introduced in the 92nd, 93rd and 94th Congresses. In the 93rd Congress, the Subcommittee on Energy and the Environment held a series of hearings on H.R. 1678 and related bills (Serial Number 93–59) including three field hearings in the state of Utah on September 13 and 14, 1974. No further Subcommittee action was taken on this legislation in the 93rd Congress.

On September 15, 1975, Representative Frank Evans of Colorado introduced H.R. 9719. Hearings were conducted in Salt Lake City, Utah and Reno, Nevada on October 24, and in Washington, D.C. on November 3 and 4. The Subcommittee on Energy and the Environment then proceeded to mark-up a Subcommittee print of H.R. 9719 on December 8, 1975, January 26, 1976 and February 2, 1976. The Subcommittee reported the bill to full Committee, as amended, on February 5. The full Committee on Interior and Insular Affairs considered H.R. 9719 on March 16 and ordered it reported favorably, as amended, by voice vote on March 17, 1976.

Inflationary Impact

Pursuant to Rule XI, Clause 2(l)(4) of the House of Representatives, the Committee believes that enactment of H.R. 9719 would have virtually no inflationary impact on the national economy. The estimated cost of the bill, $125 million, represents less than one half of one percent of present Federal expenditures. New payments to units of local government under this Act would be distributed to more than 700 units of local government across the country. The Committee believes that since the payments will be so widely dispersed there will be no measureable inflationary impact on the national economy nor any local economy.

Cost and Budget Analysis

At the request of the Committee Chairman, the Department of the Interior provided the Committee with computations as to the amount of payments, on a state and county basis, under H.R. 9719. While these estimates may be erroneous in a few cases, and the Congressional Budget Office analysis that follows points out a few areas of disagree-

ment as to cost, the Department's estimate is a close approximation of the payments that would be made under this legislation.[1]

The departmental computations, together with the covering letter of April 28, 1976, follow:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., April 28, 1976

Hon. James A. Haley,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: This will respond to your letter in which you request that we provide the House Committee on Interior and Insular Affairs with this Department's estimate of the annual payments for the first fiscal year under section 1 of H.R. 9719, as ordered reported

[1]The Department of the Interior did not have a county-by-county breakdown for Corps of Engineers lands, which total approximately 7 million acres in reservoirs and impoundments. A breakdown by state follows:

Agency and State	Public domain	Acquired	Total
Corps of Engineers			
Alabama	133.5	67,130.6	67,264.1
Alaska	52,701.7	217.0	52,918.7
Arizona	23,764.1	9,878.0	33,642.1
Arkansas	26,396.1	486,777.0	513,173.1
California	15,486.2	105,945.9	121,432.1
Colorado	182.9	36,127.2	36,310.1
Connecticut		7,201.8	7,201.8
Delaware		12,796.8	12,796.8
District of Columbia		318.0	318.0
Florida	86.1	26,205.7	26,291.8
Georgia		340,907.7	340,907.7
Hawaii		25.7	25.7
Idaho	9,732.1	41,311.7	51,043.8
Illinois		190,658.2	190,658.2
Indiana		112,079.0	112,079.0
Iowa	7.1	175,650.4	175,657.5
Kansas		312,141.6	312,141.6
Kentucky		321,778.6	321,778.6
Louisiana	7,051.8	85,492.1	92,543.4
Maine		9.1	9.1
Maryland		7,516.6	7,516.6
Massachusetts		16,909.1	16,909.1
Michigan	207.0	1,572.3	1,779.3
Minnesota	103,075.3	34,882.3	137,957.6
Mississippi		297,684.8	297,684.8
Missouri	74.7	469,154.1	469,228.8
Montana	421,429.0	185,987.9	607,416.9
Nebraska	9.6	57,931.4	57,941.0
Nevada	466.0	205.0	671.0
New Hampshire		18,501.0	18,501.0
New Jersey		14,638.0	14,638.0
New Mexico	4,887.5	10,567.3	15,454.8
New York		18,351.0	13,351.0
North Carolina		70,451.9	70,451.9
North Dakota	10,308.0	548,804.2	559,112.2
Ohio		102,802.4	102,802.4
Oklahoma	1,472.9	859,022.6	860,495.5
Oregon	35,691.8	71,368.9	107,060.7
Pennsylvania		98,248.5	98,248.5
Rhode Island		52.4	52.4
South Carolina		97,971.2	97,971.2
South Dakota	8,977.0	510,214.4	519,191.4
Tennessee		190,551.2	190,551.2
Texas		705,124.4	705,124.4
Vermont		5,968.8	5,968.8
Virginia		114,228.9	114,228.9
Washington	8,854.7	92,800.0	101,654.7
West Virginia		101,201.9	101,201.9
Wisconsin		89,890.3	89,890.3

by the Committee on March 18, 1976. Your letter requested that our analysis include a breakdown of payments by unit of local government as well as an identification of those units which would receive payment under the 75 cents alternative (alternative A) and those which would receive payment under the 10 cents alternative (alternative B), both set forth in section 2 of the bill. The preparation of our response required coordination among the Bureau of Land Management, the Bureau of Reclamation, the National Park Service, and the Department of Agriculture's U.S. Forest Service. We regret the delay in responding.

Under section 1 of the bill, the Secretary of the Interior is directed to make annual payments in lieu of taxes to each unit of local government in which there are certain Federally-owned lands. The amount of each such payment to each county is to be computed by a formula under section 2. Payment to the county shall be equal to the greater amount arrived at under one of two alternatives: (A) multiply 75 cents times the number of Federal acres in the unit of local government, not to exceed a limitation based on population, and subtract the amount of revenue payments received by the local government under any of the Federal statutes listed in section 4 of the bill; or (B) multiply the number of Federal acres by 10 cents, subject to the limitation for population. No local government would receive credit for more than 50,000 population under either alternative.

The information in Enclosure I was computed pursuant to the section 2 formula and contains three parts. Our calculation under section 2 was based upon all U.S. Forest Service, Park Service, Bureau of Reclamation and Bureau of Land Management lands in the 50 States and in Puerto Rico and the Virgin Islands.

The first part is a summary sheet of the total annual payments each State (including Puerto Rico and the Virgin Islands) would receive in the first fiscal year after enactment. The total payments to each State have then been added together, for a sum total first year payment by the Secretary under section 1 of the bill of $108,463,641. We would note that the total payments for each State were arrived at by adding all that State's alternative A counties to all its alternative B counties.

The second part of Enclosure I is a breakdown of each State by county, and identifies the amount of payment each county would receive under section 1. The amount for each county is listed only under one alternative, *i.e.*, under whichever alternative formula the payment would be made.

The third part of Enclosure I shows how we arrived at the payments to each county in each State through the use of the section 2 formula.[1]

Certain counties are listed in Enclosure I, but they are shown as receiving no payments. Revenue payments to these counties by the U.S. Forest Service and the Bureau of Land Management exceeded 75 cents per acre under alternative A. When the payments under H.R. 9719 were then computed under alternative B, they did not meet the $100 minimum of the bill. Further, payments to some counties under either alternative did not exceed $100, although the payments under Alternative A were not negative ones.

[1] This part is not included here, but has been placed in the Committee files.

Your letter did not request that we provide the amount of payments under section 3 of the bill, to be made in addition to the section 1 payments. However, we can furnish that information with regard to the National Park Service.

Section 3 provides for an additional payment by the Secretary of one percent of the fair market value of lands added to the National Park Service and Wilderness Preservation Systems after December 31, 1970, and of lands acquired by the United States for the Redwood National Park pursuant to the Act of October 2, 1968. This payment would only apply for the first five years following acquisition of the lands or for the first five years after enactment of H.R. 9719 for lands acquired prior to enactment but after December 31, 1970 (or October 2, 1968 in the case of Redwood National Park).

Under section 3, one percent of total land acquisition costs for the National Park Service, including NPS wilderness areas, is approximately $9,707,658 or $48,538,291 over five years. We have enclosed a list of total acquisition costs for the National Park Service under section 3 which is attached as Enclosure II.

With regard to the section 3 payments by the U.S. Forest Service for lands acquired by them after December 30, 1970, for addition to the Wilderness System, the U.S. Forest Service believes that such payments would have to be determined on a case-by-case basis, since fair market value is subject to various definitions. Since December 30, 1970, 27 National Forest areas totaling 1.8 million acres have been added to the Wilderness System.

We hope that this information and the enclosures are responsive to your request. Further, for your ready reference, we are also enclosing a copy of this Department's report of November 3, 1975, on H.R. 9719 as introduced.

Sincerely yours,

STANLEY D. DOREMUS,
Deputy Assistant Secretary of the Interior.

Enclosures.

ENCLOSURE I.—PART I

H.R. 9719.—PAYMENTS BY STATES

	Alternatives		
	"A" (75 cents per acre)	"B" (10 cents per acre)	Total
Alabama	$261,216	$1,080	$262,296
Alaska	4,718,700	461,417	5,180,117
Arizona	9,478,182		9,478,182
Arkansas	938,094		938,094
California	9,743,725	1,081,780	10,825,505
Colorado	10,851,606	767	10,852,373
Connecticut			
Delaware			
District of Columbia	4,393		4,393
Florida	1,368,159	53,057	1,421,216
Georgia	433,542	10,390	443,932
Hawaii	183,350		183,350
Idaho	9,274,182	26,449	9,300,631
Illinois	166,550		166,550
Indiana	109,867		109,867
Iowa		105	105
Kansas	42,702	9,549	52,251
Kentucky	429,440		429,440
Louisiana		59,588	59,588
Maine	56,411		56,411
Maryland	28,013		28,013
Massachusetts	19,623		19,623
Michigan	2,178,713	310	2,179,023
Minnesota	1,736,999		1,736,999

PART I

H.R. 9719.—PAYMENTS BY STATES

	Alternatives		
	"A" (75 cents per acre)	"B" (10 cents per acre)	Total
Mississippi	299,019	101,831	400,850
Missouri	358,796	80,445	439,241
Montana	8,735,864	189,844	8,925,708
Nebraska	252,824	116	252,940
Nevada	5,546,492		5,546,492
New Hampshire	382,908		382,908
New Jersey	16,671		16,671
New Mexico	10,531,615		10,531,615
New York	25,614		25,614
North Carolina	679,047		679,047
North Dakota	401,819	16,317	418,136
Ohio	90,500		90,500
Oklahoma	141,929	1,614	143,543
Oregon	2,917,767	1,637,230	4,554,997
Pennsylvania	14,186	50,610	64,796
Puerto Rico	18,850		18,850
Rhode Island			
South Carolina	3,361	60,842	64,203
South Dakota	1,359,615	16,491	1,376,106
Tennessee	561,449		561,449
Texas	852,324	57,060	909,384
Utah	7,050,787	169,254	7,220,041
Vermont	169,766		169,766
Virginia	1,337,328		1,337,328
Virgin Islands	9,859		9,859
Washington	3,053,049	561,693	3,614,742
West Virginia	607,898		607,898
Wisconsin	992,339		992,339
Wyoming	2,998,289	2,382,370	5,380,659
Total	101,433,432	7,030,209	108,463,641

ENCLOSURE 1.—PART II

H.R. 9719—PAYMENTS BY COUNTY

County	Alternative "A"	Alternative "B"
ALABAMA		
Bibb	26,755	
Calhoun	6,775	
Chilton	9,450	
Clay	29,475	
Cleburne	35,800	
Covington	7,225	
Dallas	2,250	
Escambia	3,900	
Franklin	800	
Hale	12,600	
Lawrence	41,675	
Macon		1,080
Perry	14,250	
Talladega	20,325	
Tuscaloosa	3,880	
Winston	41,200	
Clarke		
Morgan	151	
Randolph		
Colbert	2,108	
Jackson		
Lauderdale	1,067	
Tallapoosa	1,530	
Total	261,218	1,080
ALASKA		
Anchorage	504,450	
Bristol Bay	57,350	
Fairbanks, N.S	1,000,000	
Haines	99,000	
Juneau		461,417
Kenai Pen	493,000	
Ketchikan Gateway	374,000	
Kodiak Is	308,000	
North Slope	224,900	
Matanuska-Susitna	350,000	
Sitka	308,000	
Unorganized boroughs	1,000,000	
Total	4,718,700	461,471
ARIZONA		
Apache	436,515	
Cochise	614,370	
Coconino	1,000,000	
Gila	800,250	
Graham	532,000	
Greenlee	396,000	
Maricopa	1,000,000	
Mohave	831,250	
Navajo	246,341	
Pima	847,736	
Pinal	489,989	
Santa Cruz	291,481	
Yavapai	992,250	
Yuma	1,000,000	
Total	9,478,182	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
ARKANSAS		
Baxter	24,279	
Benton	7,009	
Conway	3,450	
Crawford	34,660	
Franklin	50,300	
Garland	30,710	
Hot Spring	100	
Howard	300	
Johnson	86,850	
Lee	2,925	
Logan	42,075	
Madison	23,575	
Marion	16,437	
Montgomery	78,075	
Nevada		
Newton	111,862	
Ouachita	100	
Perry	24,950	
Phillips	2,425	
Pike	625	
Polk	50,325	
Pope	90,950	
Prairie		
St. Francis		
Saline	13,525	
Scott	92,500	
Searcy	18,766	
Sebastian	3,035	
Stone	30,000	
Van Buren	8,910	
Washington	11,450	
Yell	61,150	
Independence	13,541	
Mississippi	3,046	
Arkansas	289	
Total	938,094	
CALIFORNIA		
Alpine	135,605	
Amador		8,494
Butte		14,663
Calaveras	73,745	
Colusa	58,281	
Contra Costa	1,716	
Del Norte		46,169
El Dorado		52,621
Fresno	559,566	
Glenn	100,710	
Humboldt		41,888
Imperial	908,593	
Inyo	472,000	
Kern	487,864	
Kings	4,122	
Lake	213,167	
Lassen		164,842
Los Angeles	411,234	
Madera	179,594	
Mariposa	282,000	
Mendocino	168,288	
Merced	38,400	
Modoc	308,000	
Mono	250,000	
Monterey	273,736	
Napa	47,713	
Nevada		17,954
Orange	34,876	
Placer		33,656
Plumas		115,142
Riverside	1,000,000	
Sacramento	3,631	
San Benito	86,312	
San Bernardino	1,000,000	
San Diego	321,923	
San Luis Obispo	228,280	
Santa Barbara	477,355	
Santa Clara	6,456	
Santa Cruz		
Shasta		101,089
Sierra		38,184
Siskiyou		248,984
Solano	2,863	
Sonoma	4,575	
Stanislaus	8,625	
Tehama		45,433
Trinity		146,870
Tulare	502,211	
Tuolumne	591,800	
Ventura	417,198	
Yolo	21,293	
Yuba		5,791
Alameda	417	
San Joaquin	732	
Sutter	59,338	
Marin		
San Francisco	1,495	
Total	9,743,705	1,081,780
COLORADO		
Alamosa	60,426	
Archuleta	250,000	
Baca	133,515	
Bent	1,182	
Boulder	121,804	
Chaffee	350,000	
Cheyenne	225	
Clear Creek	118,318	
Conejos	328,000	
Crowley	3,865	
Custer	135,319	
Delta	301,974	
Dolores	250,000	
Douglas	103,088	
Eagle	308,000	
El Paso	76,589	
Fremont	338,569	
Garfield	450,000	
Gilpin	31,045	
Grand	250,000	
Gunnison	328,000	
Hinsdale	250,000	
Huerfano	155,330	
Jackson	250,000	
Jefferson	76,358	
Kiowa	6,150	
Lake	138,408	
La Plata	294,555	
Larimer	578,132	
Las Animas	61,200	
Lincoln	1,611	
Logan	846	
Mesa	1,000,000	
Mineral	250,000	
Moffat	308,000	
Montezuma	348,970	
Montrose	513,000	
Morgan	3,493	
Otero	106,521	
Ouray	114,843	
Park	250,000	
Pitkin	282,000	
Prowers	564	
Pueblo	49,639	
Rio Blanco	250,000	
Rio Grande	234,058	
Routt	308,000	
Saguache	250,000	
San Juan	154,620	
San Miguel	250,000	
Sedgwick	208	
Summit	192,269	
Tellar	121,065	
Washington	667	
Weld	111,179	
Yuma		767
Phillips		
Total	10,851,606	767

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
DISTRICT OF COLUMBIA		
District of Columbia (total)	4,393	
FLORIDA		
Baker		7,930
Citrus		
Columbia		7,790
De Soto		
Escambia	17,244	
Franklin	6,550	
Gulf		
Hernando		
Indian River		
Lake		7,990
Lee		
Leon	31,350	
Liberty	80,100	
Marion		26,400
Okaloosa		347
Pasco		
Putnam		2,330
Santa Rosa		270
Sumter		
Suwannee	150	
Wakulla	50,175	
Bravard	22,088	
Collier	29,455	
Dade	382,994	
Duval		
Manatee		
Monroe	739,151	
Palm Beach		
St. Johns	239	
Valusia	8,663	
Total	1,368,159	53,057
GEORGIA		
Banks	425	
Catoosa	2,948	
Chattooga	8,550	
Dawson	3,750	
Fannin	61,112	
Floyd	3,675	
Gilmer	30,431	
Gordon	4,575	
Greene		2,410
Habersham	22,500	
Jasper		2,610
Jones		1,650
Lumpkin	32,839	
Morgan		
Murray	28,400	
Oconee		
Oglethorpe		380
Putnam		3,340
Rabun	83,468	
Stephens	12,625	
Towns	32,412	
Union	54,782	
Walker	12,053	
White	24,250	
Whitfield	7,075	
Bibb	513	
Chatham	4,024	
Cobb	2,162	
Deds	496	
Glynn	158	
Macon	319	
Sumter		
Total	433,542	10,390
HAWAII		
Hawaii	162,943	
Maui	20,407	
Total	183,350	

County	Alternative "A"	Alternative "B"
IDAHO		
Ada	228,639	
Adams	250,000	
Bannock	160,810	
Bear Lake	185,258	
Benewah	36,076	
Bingham	255,172	
Blaine	282,000	
Boise	250,000	
Bonner	178,217	
Bonneville	410,300	
Boundary	168,117	
Butte	250,000	
Camas	250,000	
Canyon	11,657	
Caribou	308,000	
Cassia	493,000	
Clark	250,000	
Clearwater	372,208	
Custer	250,000	
Elmore	493,000	
Franklin	93,900	
Fremont	342,000	
Gem	85,967	
Gooding	196,454	
Idaho	416,000	
Jefferson	146,948	
Jerome	77,427	
Kootenai		26,449
Latah	49,348	
Lemhi	282,000	
Lewis	5,644	
Lincoln	250,000	
Madison	37,992	
Minidoka	136,033	
Nez Perce	15,373	
Oneida	250,000	
Owyhee	282,000	
Payette	49,536	
Power	212,203	
Shoshone	237,005	
Teton	56,545	
Twin Falls	490,137	
Valley	250,000	
Washington	230,216	
Total	9,274,182	26,449
ILLINOIS		
Alexander	17,575	
Gallatin	7,025	
Hardin	15,275	
Jackson	27,000	
Johnson	11,375	
Massac	1,950	
Pope	54,775	
Saline	8,400	
Union	22,950	
Williamson	225	
Sangannon		
Total	166,550	
INDIANA		
Brown	9,950	
Crawford	9,675	
Dubois	225	
Jackson	12,925	
Lawrence	8,675	
Martin	5,800	
Monroe	10,450	
Orange	15,950	
Perry	33,125	
Fayette		
Khrox		
La Porte		
Porter	2,975	
Spencer	117	
Total	109,867	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
IOWA		
Audubon		
Clay		
Plymouth		
Union		
Allamakee		105
Cedar		
Clayton		
Total		105
KANSAS		
Chayenne		
Commanche		
Cowley		
Clark		
Docatur		
Doniphan		
Gealy		
Hamilton		
Kearney		
Logan		
Meade		
Morton	42,702	
Seward		
Stevens		
Kingman		133
Pens		1,476
Sedgwick		
Jewell		705
Republic		
Osborne		335
Phillipes		1,452
Smith		
Ellis		
Trigo		1,513
Rooks		719
Norton		784
Butler		
Mitchell		2,432
Pawnee		
Total	42,702	9,545
KENTUCKY		
Bath	10,825	
Bell	7,652	
Caldwell		
Christian		
Clay	36,950	
Estill	2,800	
Harlan	1,588	
Jackson	33,100	
Knox		
Laurel	33,300	
Lee	4,225	
Leslie	29,925	
Letcher	600	
McCreary	91,125	
Menifee	32,657	
Morgan	5,625	
Owsley	8,500	
Perry	575	
Pike		
Powell	7,450	
Pulaski	15,600	
Rockcastle	7,375	
Rowan	36,325	
Wayne	350	
Whitley	24,675	
Wolfe	8,725	
Adair	100	
Barren	991	
Edmonson	33,275	
Hart	4,100	
Total	429,440	

County	Alternative "A"	Alternative "B"
LOUISIANA		
Bossier		
Clairborne		1,990
Grant		13,960
Jefferson		
Natchitoches		12,814
Rapides		10,200
St. Martin		
Vernon		8,404
Webster		1,210
Winn		11,010
St. Bernard		
Total		59,588
MAINE		
Oxford	25,625	
York	2,775	
Hancock	25,499	
Knox	2,347	
Washington	165	
Total	56,411	
MARYLAND		
Allegany	1,725	
Anne Arundel	280	
Baltimore		
Charles	727	
Frederick	5,338	
Montgomery	3,132	
Prince Georges	4,442	
Washington	7,859	
Worcester	4,510	
Total	28,013	
MASSACHUSETTS		
Barnstable	19,140	
Essex		
Middlesex	483	
Norfolk		
Suffolk		
Total	19,623	
MICHIGAN		
Alcona	73,200	
Alger	100,194	
Allegan		
Antrim		
Arenac		
Baraga	27,661	
Barry		
Cheboygan		
Chippewa	150,150	
Clare		
Crawford	26,175	
Delta	164,775	
Genessee		
Gladwin		
Gogeric	180,475	
Grand Traverse		
Houghton	89,783	
Iosco	68,950	
Iron	106,610	
Jackson		
Kalkaska		
Keweenaw	404,879	
Lake	71,750	
Mackinac	99,450	
Manistee	41,500	
Marquette	11,575	
Mason	37,400	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
MICHIGAN—Continued		
Mecosta	1,650	
Missaukee		
Montcalm	1,000	
Montmorency		
Muskegon	8,825	
Newaygo	69,150	
Oceana	31,050	
Ogemaw	10,575	
Ontonagon	157,525	
Oscoda	92,850	
Otsego		
Ottawa		
Presque Isle		
Roscommon		310
Schoolcraft	81,650	
Wexford	61,200	
Calhoun		
Bonzie	2,861	
Huron		
Leelanau	5,750	
Total	2,178,713	310
MINNESOTA		
Aitkin		
Besker		
Beltrami	38,536	
Benton		
Blue Earth		
Brown		
Carlton	151	
Carver		
Carr	177,335	
Clay		
Cook	361,143	
Cottonwood		
Crow Wing		
Fillmore		
Grant		
Hennegin		
Hubbard	170	
Isanti		
Itasca	188,239	
Kanabes		
Kittson		
Koschiching	32,207	
Lake-Woods	4,352	
McLeod		
Mille Laes		
Morrison		
Murray		
Otter Trail		
Pine	148	
Polk		
Pope		
Red Lake		
Redwood		
Renville		
Rice		
Roseau	887	
Stevens		
St. Louis	524,431	
Swift		
Todd		
Wabasha		
Wadens		
Washington		
Wilkin		
Wright		
Yellow Medicine		
Lake	409,200	
Chippewa		
Chicago		
Total	1,736,999	

County	Alternative "A"	Alternative "B"
MISSISSIPPI		
Adams		1,429
Amite		3,540
Benton		5,170
Chickasaw	193,063	
Choctaw	6,437	
Copiah		730
Covington		
Forrest		5,040
Franklin		9,510
George		880
Greene		3,310
Hancock		
Harrison		8,186
Jackson	26,856	
Jasper		1,710
Jefferson		1,152
Jones		3,310
Lafayette		3,730
Lincoln		780
Marshall		2,020
Newton		310
Oktibbeha		
Pearl River		530
Perry		16,074
Pontotoc	275	
Scott		8,660
Sharkey	35,600	
Smith		7,030
Stone		3,980
Tippah		780
Union		790
Warren	120	
Wayne		9,010
Wilkinson		2,150
Winston	14,175	
Yalobusha		2,020
Attala	2,929	
Claiborne	2,664	
Hinds	3,326	
Itawamba	221	
Leake	1,906	
Lee	2,575	
Madison	2,467	
Pontatoc	994	
Prenthas	1,721	
Ticdemingo	1,185	
Webster	2,605	
Total	299,019	101,831
MISSOURI		
Barry	34,350	
Bollinger		160
Boone	1,500	
Butler		4,850
Callaway	5,625	
Carter	26,817	
Christian	32,893	
Crawford		4,910
Dent		6,971
Douglas	26,200	
Howell	31,325	
Iron		9,720
Laclede		2,820
Madison		4,670
Oregon	62,400	
Ozark	24,775	
Phelps		6,050
Pulaski		4,400
Reynolds		8,970
Ripley	60,625	
St Francois		
Ste Genevieve		990
Shannon		3,835
Stone	10,425	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
MISSOURI—Continued		
Taney	40,825	
Texas		4,789
Washington		8,120
Wayne		8,480
Wright		710
Greene	878	
Newton	158	
St Francis		
Total	358,796	80,445
MONTANA		
Beaverhead	328,000	
Big Horn		6,829
Blaine	149,679	
Broadwater	126,300	
Carbon		53,834
Carter	97,800	
Cascade	147,351	
Chouteau	85,730	
Custer	146,194	
Daniels		
Dawson		6,954
Deer Lodge	114,586	
Fallon		12,191
Fergus	271,945	
Flathead	887,250	
Gallatin	481,407	
Garfield	89,800	
Glacier	282,071	
Golden Valley	17,841	
Granite	136,850	
Hill	9,651	
Jefferson	250,000	
Judith Basin	133,350	
Lake	76,150	
Lewis & Clark	732,065	
Liberty		3,544
Lincoln	513,000	
Madison	250,000	
McCone	87,157	
Meagher	106,100	
Mineral	147,900	
Missoula	259,918	
Musselshell	186,700	
Park	374,000	
Petroleum	33,750	
Phillips	250,000	
Pondera	65,864	
Powder River		60,509
Powell	305,000	
Prairie	87,600	
Ravalli	434,000	
Richland		5,464
Roosevelt		469
Rosebud		32,901
Sanders	298,225	
Sheridan		
Silver Bow	164,925	
Stillwater	122,888	
Sweet Grass	149,000	
Teton	183,985	
Toole		4,541
Treasure	5,529	
Valley	374,000	
Wheatland	46,126	
Wibaux		2,588
Yellowstone	50,349	
Total	8,735,864	189,844
NEBRASKA		
Arthur		
Blaine	2,769	
Boyd		
Brown		116
Buffalo		

County	Alternative "A"	Alternative "B"
Belet		
Cedar		
Cherry	72,033	
Custer		
Darver	40,280	
Dundy		
Franklin	1,026	
Garden		
Grant		
Hall		
Hayes		
Hitchcock	6,439	
Holt		
Hooker		
Howard		
Kes a Pacho		
Knob		
Lincoln		
Long		
McPherson		
Morrill		
Otoe		
Platte		
Red Willow	819	
Richardson		
Redick		
Scotts Bluff	6,337	
Sheridan		
Sioux	57,665	
Thomas	48,151	
Valley		
Washington		
Wheeler		
Merrick		
Harlan		
Nuckolls	704	
Webster	641	
Chase	4,202	
Fontier	10,758	
Furnas	863	
Box Butte		
Cheyenne		
Deilel		
Keith		
Kimball		
Gage	132	
Total	252,824	116
NEVADA		
Carson City	38,823	
Churchill	574,000	
Clark	1,000,000	
Douglas	374,000	
Elko	472,000	
Esmeralda	31,450	
Eureka	308,000	
Humboldt	282,000	
Landes	133,300	
Lincoln	127,850	
Lyon	350,000	
Mineral	308,000	
Nye	250,000	
Pershing	133,500	
Storey	13,569	
Washoe	1,000,000	
White Pine	350,000	
Total	5,546,492	
NEW HAMPSHIRE		
Carroll	82,475	
Coos	112,914	
Grafton	187,519	
Sullivan		
Total	382,902	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
NEW JERSEY		
Essex		
Hudson		
Monmouth	1,285	
Morris	1,007	
Somerset	144	
Sussex	6,526	
Warren	7,709	
Total	16,671	
NEW MEXICO		
Bernalillo	65,921	
Catron	109,900	
Chaves	916,610	
Colfax	9,469	
De Bass	63,554	
Dona Ana	902,471	
Eddy	912,250	
Grant	591,800	
Guadalupe	26,651	
Harding	43,579	
Hidalgo	236,700	
Lea	367,851	
Lincoln	328,000	
Los Alamos	22,837	
Luna	396,000	
McKinley	340,640	
Mora	73,287	
Otero	912,250	
Quay	1,775	
Rio Arriba	650,000	
Roosevelt	1,465	
Sandoval	493,000	
San Juan	772,089	
San Miguel	250,833	
Santa Fe	225,139	
Soerra	308,000	
Sicarro	350,000	
Taos	443,774	
Torrance	145,361	
Union	36,484	
Valencia	533,925	
Total	10,531,615	
NEW YORK		
Schuyler	5,000	
Seneca	2,000	
Tioga		
Tompkins		
Dutchess	141	
Kings	6,551	
New York		
Anelka		
Nassau		
Queens	6,629	
Richmond	828	
Suffolk	4,465	
Total	25,614	
NORTH CAROLINA		
Ashe	1,475	
Avery	15,103	
Buncombe	22,433	
Burke	28,810	
Caldwell	29,210	
Carteret	37,650	
Cherokee	37,450	
Clay	27,225	
Craven	40,575	
Davidson	550	
Graham	50,600	
Haywood	42,955	
Henderson	10,752	
Jackson	15,714	
Jones	26,025	
McDowell	40,855	
Macon	68,025	
Madison	28,250	
Mitchell	10,266	
Montgomery	21,000	
Randolph	4,800	
Swain	10,232	
Transylvania	52,073	
Watauga	7,609	
Yancey	19,281	
Alleghany	3,529	
Dare	105	
Davie	18,533	
Hyde	4,211	
Surry	557	
Wilkes	3,194	
Total	679,047	
NORTH DAKOTA		
Adams		
Adams		
Barnes		
Bacon		
Billings		
Bowman		
Burleigh		
Bacon	11,887	
Billings	59,900	
Bowman		3,281
Burleigh		556
Cavalier		
Divide		167
Durin		1,601
Eddy		
Emmons		
Golden Valley		9,866
Grand Forks		
Grant	15,517	
Kidder		153
Logen		
McHenry		404
McIntosh		
McKenzie	167,359	
McLean	4,069	
Mercer		
Morton		
Mountrail		131
Oliver		
Pierce		
Ransom	24,350	
Renville		
Richland	16,275	
Rolette		
Sheridan	12,592	
Sioux	3,650	
Slope	43,600	
Slutsman	2,956	
Towner		
Walsh		
Ward		
Williams		158
Cass		
Dickey		
Foster		
La Mouse		
Nelson	6,334	
Ramsey	28,529	
Sargent	368	
Stark	1,694	
Traill		
Wells	2,739	
Total	401,819	16,317

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
OHIO		
Athens	5,725	
Gallia	5,500	
Hocking	11,300	
Jackson	425	
Lawrence	29,325	
Monroe	6,825	
Morgan	1,650	
Muskingum		
Perry	10,125	
Scioto	4,750	
Vinton	1,100	
Washington	13,775	
Hamilton		
Ottawa		
Rose		
Summit		
Total	90,500	
OKLAHOMA		
Beaver	214	
Beckham		
Blaine	401	
Caddo	6,532	
Canadian	200	
Cimarron		1,614
Cleveland	10,050	
Comanche		
Coal		
Cotton		
Custer	11,858	
Dewey	288	
Ellis	332	
Grady		
Greer	4,066	
Harmon	124	
Harper		
Haskell	1,339	
Jackson	1,859	
Jefferson	186	
Kay		
Kingfisher		
Kiowa	13,933	
Latimer		
Le Flore	52,150	
Logan		
Major		
McCurtain	11,125	
Oklahoma		
Pawnee		
Payne		
Pittsburg	180	
Pottawatomie		
Pushmataha		
Roger Mills	16,349	
Texas		
Tillman	252	
Woods	334	
Woodward		
Washita		
Murray	10,157	
Total	141,929	1,614
OREGON		
Baker	450,000	
Benton		13,036
Clackamas		52,026
Clatsop	125	
Columbia		
Coos	91,995	
Crook		94,952
Curry		58,773
Deschutes		152,457
Douglas		577,701
Gilliam	25,252	
Grant	265,283	
Harney	308,000	
Hood River		21,298
Jackson		44,941
Jefferson	32,542	
Josephine		120,805
Klamath		210,834
Lake	282,000	
Lane		132,192
Lincoln		18,564
Linn		46,675
Malheur	611,820	
Marion		20,600
Morrow	117,307	
Multnomah		7,308
Polk		
Sherman	35,775	
Tillamook		11,512
Umatilla	126,463	
Union	289,225	
Wallowa	282,000	
Wasco		24,953
Washington		293
Wheeler		25,607
Yamhill		2,703
Total	2,917,767	1,637,330
PENNSYLVANIA		
Bedford		
Elk		11,150
Forest		11,660
Huntingdon		
McKean		13,510
Perry		
Warren		14,290
Adams	2,992	
Berks	396	
Cambria	293	
Cameron		
Chester	240	
Fayette	263	
Monroe	5,213	
Northampton	820	
Philadelphia	167	
Pike	3,557	
Blair	245	
Total	14,186	50,610
PUERTO RICO		
Entire territory	18,850	
San Juan		
Total	18,850	
RHODE ISLAND		
Providence		
Total		
SOUTH CAROLINA		
Abbeville		2,180
Aiken		600
Berkeley		18,930
Charleston		6,152
Chester		1,190
Edgefield		2,900
Fairfield		1,240
Greenwood		1,070
Laurens		2,070
McCormick		4,970
Newberry		5,500
Oconee		7,770
Saluda		420
Union		5,850
Cherokee	1,464	
York	1,897	
Total	3,361	60,842

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
SOUTH DAKOTA		
Bon Homme		
Brule		
Buffalo		
Butte		16,173
Campbell		
Charles Mix		
Clay		
Coddington		
Carson	16,525	
Custer	234,450	
Dewey		
Fall River	180,323	
Gregory		
Hanson		140
Harding	40,737	
Hughes		
Jackson	75,741	
Jones	8,571	
Lawrence	188,299	
Lincoln		
Lyman	6,983	
Meade	14,101	
Pennington	468,619	
Perkins	72,659	
Potter		
Stanley	9,299	
Sully	9,329	
Union		178
Yankton		
Ziebach		
McKenzie	150	
Beadle	238	
Bennett		
Brookings		
Brown		
Clark		
Denison		
Deuel		
Douglas		
Haakon		
Hand		
Hyde		
Jerauld		
Minnehaha		
Moody		
Roberts		
Spink	171	
Todd		
Tripp		
Turner		
Shannon	33,420	
Total	1,359,614	16,491
TENNESSEE		
Carter	50,045	
Cocke	40,932	
Greene	21,575	
Johnson	30,159	
McMinn	1,350	
Monroe	87,000	
Polk	90,175	
Sullivan	22,403	
Unicoi	31,375	
Washington	10,300	
Blount	72,429	
Claiborne	1,509	
Greene	174	
Hamilton	1,385	
Hardin		
Lawrence	1,952	
Lewis	977	
Sevier	94,739	
Stewart	407	
Union		
Wayne	2,300	
Williamson		
Rutherford	263	
Total	561,449	
TEXAS		
Angelina		6,370
Dallam	43,150	
Fannin	8,475	
Gray	350	
Hartley	250	
Hemphill	69,500	
Houston		9,360
Jasper		2,270
Montague	34,850	
Montgomery		4,660
Nacogdoches		260
Newton	84,900	
Ochiltree		
Sabine		11,400
San Augustine		7,080
San Jacinto	16,250	
Shelby		6,840
Trinity		6,790
Walker	14,825	
Wise		2,030
Jeff Davis	359	
Carson		
Hockley		
Hutchinson	7,603	
Lubbock		
Moore	8,690	
Potter	18,288	
Randall		
Terry	34,648	
Tom Green	9,403	
Cameron		
Hidalgo	707	
Jackson	12,217	
El Paso	1,388	
Blanco		
Brewster	328,000	
Crosby	1,471	
Culberson	42,853	
Floyd	34,473	
Hillespie	151	
Gudspeth	12,973	
Kenedy	33,900	
Kleberg	27,095	
Willacy	5,555	
Total	852,324	57,060
UTAH		
Beaver	200,000	
Box Elder	730,800	
Cache	175,099	
Carbon	140,290	
Daggett	33,300	
Davis	28,514	
Duchesne	396,000	
Emery	282,000	
Garfield	157,650	
Grand	282,000	
Iron	434,000	
Juab	240,000	
Kane	165,000	
Millard	328,000	
Morgan	9,425	
Piute	65,000	
Rich	80,750	
Salt Lake	67,888	
San Juan	374,000	
Sanpete	290,855	
Sevier	374,000	
Summit	308,000	
Tooele	591,800	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
UTAH—Continued		
Uintah		169,254
Utah	390,546	
Wasatch	278,796	
Washington	493,000	
Wayne	85,000	
Weber	49,074	
Total	7,050,787	169,254
VIRGINIA		
Alleghany	95,400	
Amherst	36,675	
Augusta	131,500	
Bath	117,600	
Bedford	17,703	
Bland	47,269	
Botetourt	56,337	
Carroll	5,124	
Craig	81,719	
Dickenson	6,350	
Frederick	3,226	
Giles	42,824	
Grayson	20,828	
Highland	39,250	
Lee	14,072	
Montgomery	13,656	
Nelson	11,122	
Page	46,541	
Pulaski	13,675	
Roanoke	4,183	
Rockbridge	47,483	
Rockingham	123,879	
Scott	24,150	
Shenandoah	52,800	
Smyth	50,006	
Tazewell	4,200	
Warren	14,507	
Washington	14,655	
Wise	20,900	
Wythe	37,647	
Accomack	9,210	
Albermarle	11,189	
Caroline		
Chesterfield		
Craig		
Dinwiddie		
Fairfax	2,080	
Franklin	1,725	
Floyd	2,711	
Frederick		
Greene	11,312	
Hanover	173	
Henrico	371	
James City	2,147	
Madison	21,695	
Nansemond	394	
Orange	477	
Page	28,466	
Pr. George	1,094	
Pr. William	15,308	
Patrick	2,094	
Rappahanack	24,047	
Richmond		
Spotsylvania	2,894	
Stafford		
Surry	311	
Va. Beach		
Westmoreland	342	
York	4,007	
Total	1,537,328	
VIRGIN ISLANDS		
Christiansted	680	
St. Thomas	9,179	
Total	9,859	
VERMONT		
Addison	46,250	
Bennington	43,556	
Rutland	30,281	
Washington	30,050	
Windham	8,429	
Windsor	11,200	
Total	169,766	
WASHINGTON		
Adams	6,964	
Asotin	21,824	
Benton	10,861	
Chelan	801,302	
Clallam		100,500
Clark		161
Columbia	43,914	
Cowlitz		2,102
Douglas	29,654	
Ferry	257,612	
Franklin	42,147	
Garfield	26,171	
Grant	200,717	
Grays Harbor		16,827
Island		
Jefferson		106,653
King		33,479
Kitsap		
Kittitas	95,616	
Klickitat		2,349
Lewis		47,306
Lincoln	18,922	
Mason		20,010
Okanogan	670,800	
Pacific	278	
Pend Oreille	217,187	
Pierce		33,598
San Juan	125	
Skagit	155,761	
Skamania		81,130
Snohomish		62,937
Spokane		
Stevens	151,254	
Thurston		
Wahkiakum		
Walla Walla	2,140	
Whitman	866	
Whatcom	298,934	
Yakima		54,641
Total	3,053,049	561,693
WEST VIRGINIA		
Grant	10,075	
Greenbrier	63,175	
Hampshire	1,750	
Hardy	33,100	
Mason		
Monroe	13,225	
Nicholas	14,725	
Pendleton	79,000	
Pocahontas	179,775	
Preston	2,425	
Randolph	110,725	
Tucker	58,900	

PART II—Continued

H.R. 9719—PAYMENTS BY COUNTY—Continued

County	Alternative "A"	Alternative "B"
WEST VIRGINIA—Con.		
Webster	40,600	
Jefferson	423	
Mineral		
Total	607,898	
WISCONSIN		
Ashland	127,702	
Bayfield	187,614	
Florence	49,975	
Forest	206,150	
Langlade	19,550	
Oconto	83,950	
Oneida	6,725	
Price	100,600	
Sawyer	86,145	
Taylor	84,100	
Vilas	32,850	
Burnett	2,869	
Douglas	1,058	
Polk		
Washburn	3,051	
Total	992,339	
WYOMING		
Albany	401,380	
Big Horn	181,750	
Campbell		38,090
Carbon	472,000	
Converse		240,450
Crook		42,322
Fremont	767,250	
Goshen		2,948
Hot Springs		235,000
Johnson		104,494
Laramie		3,531
Lincoln	342,000	
Natrona		466,680
Niobrara		30,363
Park		488,828
Platte	66,473	
Sheridan	238,936	
Sublette		190,000
Sweetwater		394,764
Teton	282,000	
Uinta	246,500	
Washakie		76,669
Weston		68,231
Total	2,998,289	2,382,370

ENCLOSURE II.—*Total projected costs for new National Park Service land acquisition from Jan. 1, 1971*

Adams	$120,000	Gulf Islands	$21,659,147
Agate fossil beds	29,225	Harpers Ferry	836,130
Andersonville	215,110	Hawaii volcanoes	855,500
Antietam	783,012	Herbert Hoover	82,667
Apostle Islands	4,602,182	Hot Springs	6,373,808
Appalachian Trail	4,310,000	Independence	1,927,000
Arches	273,408	Indiana Dunes	7,743,219
Arkansas Post	21,415	Isle Royale	30,000
Assateague Island	7,059,467	John Day	970,000
Badlands	609,552	Johnstown Flood	9,000
Big Bend	15,500	Joshua Tree	5,584,773
Big Cypress	112,488,899	Kings Canyon	5,219,335
Big Hole	22,000	Lake Mead	5,580,494
Bighorn Canyon	488,529	Lassen Volcanic	2,544,870
Big Thicket	63,509,324	Lincoln boyhood	231,227
Biscayne	14,023,567	Lincoln home	2,650,091
Black Canyon	24,700	Lower St. Croix	18,158,442
Blue Ridge	5,520,690	Manassas	1,112,200
Boston	2,537,720	Martin Van Buren	192,446
Bryce Canyon	2,000	Mesa Verde	168,233
Buffalo	27,035,149	Minute Man	4,933,569
Canaveral	7,793,545	Montezuma Castle	105,755
Canyonlands	102,560	Moores Creek	207,990
Cape Cod	14,498,649	Morristown	1,742,099
Cape Lookout	7,566,993	Mount Rainier	13,200
Capitol Reef	2,160,000	Muir Woods	885,653
Chaco Canyon	18,111	Natchez Trace	231,375
C. & O. Canal	16,349,069	North Cascades	4,785,592
Chiricahua	45,920	Olympic	10,255,755
Colonial	7,555,716	Organ Pipe cactus	2,669,500
Colorado	25,000	Ozark	3,534,972
Cowpens	2,189,194	Perry's Victory	326,067
Cumberland Gap	425,416	Petersburg	1,187,125
Cumberland Island	9,657,364	Pictured Rocks	3,197,231
Cuyahoga Valley	34,064,189	Pinnacles	55,000
Death Valley	339,518	Piscataway	8,039,524
Delaware Water Gap	34,647,788	Point Reyes	31,182,033
Dinosaur	833,080	Redwood	158,000,000
Effigy Mounds	11,000	Rocky Mountain	9,666,936
El Morro	81,410	Roger Williams	44,300
Everglades	17,933,629	Saguaro	1,289,650
Fire Island	2,425,178	St. Croix Island	226,600
Florissant fossil beds	599,193	St. Croix River	9,742,187
Fort Bowie	13,600	San Juan Island	1,497,104
Fort Donelson	202,195	Scotts Bluff	1,020,580
Fort Frederica	60,000	Sequoia	945,600
Fort Laramie	3,500	Shenandoah	20,000
Fort Necessity	511,219	Shiloh	85,350
Fort Union Trading Post	50,000	Sleeping Bear	54,831,469
Fort Vancouver	544,500	Theodore Roosevelt NMP	119,574
Fossil Butte	41,800	Tuskegee Institute	145,000
Fredericksburg	10,240,693	Vicksburg	162,000
Gateway	11,963,000	Virgin Islands	10,494,330
George Washington birthplace	55,000	Voyageurs	24,716,258
Gettysburg	10,291,543	Walnut Canyon	27,500
Glacier	5,167,969	Whiskeytown	1,154,799
Glen Canyon	300,000	White Sands	10,400
Golden Gate	59,396,585	Yosemite	12,755,730
Grand Canyon	1,248,275	Zion	1,040,100
Grand Teton	23,021,915	Glacier Bay National Monument, Alaska	82,500
Grant-Kohrs	345,641	Sitka NHP, Alaska	103,500
Great Sand Dunes	500,045		
Great Smoky	195,050	Total (revised)	[1] 970,765,825
Guadalupe Mountains	136,835		

[1] **Amendments adopted Mar. 16, 1976, included Redwood from Oct. 1, 1968, and Alaska parks.**

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

May 3, 1976.

1. Bill Number: H.R. 9719.
2. Bill Title: Payments in Lieu of Taxes.
3. Purpose of Bill:

This legislation is designed to reduce the loss of local governments' revenues due to the existence of non-taxable federal lands within their jurisdictions. Specifically, payments are authorized to local governments in which certain federal lands are located. The federal lands which entitle a local government to payment are those of the National Park or Wilderness System, the National Forest Service, the Bureau of Land Management, the Bureau of Reclamation, and certain water resource lands of the Corps of Engineers. This is an authorization bill that requires subsequent appropriation action.

4. Cost Estimate:

This bill authorizes to be appropriated such sums as may be necessary to carry out the provisions of the Act. Payments are to be made on a fiscal year basis and thus there will be no difference between budget authority and outlays. Based primarily on a county-by-county application of a payment formula, the expected costs of this bill are presented below.

[Millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Authorization level	117	118	118	119	120
Costs	117	118	118	119	120

5. Basis of Estimate:

As explained below, there are two kinds of payments to local governments authorized by this bill.

The first payment type is determined by a population formula, but is subject to an overall limitation. Specifically, a local government receives the greater of:

1. 75¢ per acre of entitlement land less the aggregate amount of payments received by that local government from the National Forest System, from mineral leasing receipts, or from any of several smaller sources of funds.
2. 10¢ per acre of entitlement land.

The overall payment limitations range from $50 per person in local jurisdictions with a population of 5,000 or less to $20 per person in those with a population of 50,000 or more. No local government, however, may receive more than $1 million. Applying the above formula on a county-by-county basis, including all entitlement lands except those of the Corps of Engineers, results in annual payments of $107.5 million. At the present time, the eligible lands of the Corps of Engineers are not aggregated by county. Therefore, the formula could not be applied to the Corps' 7.0 million acres. This analysis has assumed the maximum possible payment of 75¢ per acre for these lands. The resulting $5.25 million in cost assumes that no population payment limits are reached and that no local government with Corps' land received any deductible payments.

This bill authorizes a second type of payment. When the United States has acquired land subject to local property taxes for the National Park or Wilderness System, annual payments are to be made to the county for five years at a rate of one percent of the property's fair market value. This payment is limited to an amount equal to the taxes paid on the land previously and only applies to land acquired since 1970. From January 1, 1971 to December 31, 1975, the National Park Service spent $292 million on land acquisition. Based upon this experience, $75 million is the projected annual expenditure for land acquisition from 1976 through 1981. Given this assumption, the annual payment will be $4.2 million in FY 1977 and rise to $7.2 million by FY 1981.

6. Estimate Comparison:

The Department of the Interior has estimated the yearly costs of H.R. 9719 at $118.2 million. While Interior's projected costs are very similar to those in this analysis, some differences exist between the two estimates. For example, in applying the payment formula to counties, Interior included a $1 million payment to Alaska's unorganized burrough which was intentionally excluded in this analysis (this exclusion was based on the Committee's intent to exclude this area). Additionally, Interior did not include Corps of Engineers' land in their estimate. Finally, Interior assumed that the National Park Service would complete its $970 million land acquisition program immediately. With the one percent of fair market value formula, this assumption results in projected 1977–1981 payments of $9.7 million annually. Given current appropriation levels, however, this analysis assumes that the Park Service is unable to complete their acquisition program in this time frame. The annual expenditure for land acquisition assumed here is the $75 million level presently in effect. The offsetting difference of not including the Corps of Engineers land, but accelerating the National Park Service's program makes the Interior Department's estimate approximate the estimate specified above.

7. Previous CBO Estimate: None.
8. Estimate Prepared By: Leo J. Corbett (225–5275).
9. Estimate Approved By:

C. G. NUCKOLS,
(For James L. Blum,
Assistant Director for Budget Analysis).

OVERSIGHT STATEMENT

In developing this legislation, the Subcommittee on Energy and the Environment reviewed the existing payments programs for public lands. No recommendations were submitted to the Committee pursuant to Rule X, clause 2(b)(2) of the House of Representatives.

COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends the enactment of H.R. 9719 as amended. The Committee approved a motion to report the bill favorably by voice vote on March 17, 1976.

Departmental Reports

Departmental reports were requested from the Departments of the Interior, Agriculture, Defense, Justice, and the Treasury; and from the General Services Administration and the Federal Power Commission. Those received are as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., November 3, 1975.

Hon. James A. Haley,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: This is in response to the request of your Committee for the views of this Department on H.R. 9719, a bill "To provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality."

We recommend against the enactment of H.R. 9719.

H.R. 9719 would allow a State or local government entitled to receive payments under seven listed statutes to elect to receive 75¢ for each acre of land within the boundaries of the State or political subdivision with respect to which payment is authorized, or would be authorized if revenue were produced from such land under the listed statutes in lieu of the sum of the amount of the payments which the State or local government would receive under all the provisions in the listed statutes. Among the statutes listed that involve the Bureau of Land Management are the Mineral Leasing Act of 1920, the Taylor Grazing Act and the Mineral Leasing Act for Acquired Lands. An election would apply only to amounts required to be paid in the fiscal year for which the election is made, and not more than one election could be made during any annual period. Notice of election would be made in such manner and at such time as the Secretary of the Interior would provide by regulation. The Secretary would be required to provide notice of such election to each department or agency of the United States that would be authorized, but for the election, to make payments to the State or local government under the listed statutes.

In its report the Public Land Law Review Commission concluded that the present systems used to share receipts from Federal lands do not meet a standard of equity and fair treatment either to State and local governments or to Federal taxpayers, and may have other shortcomings. There are several legislative proposals now before the Congress which attempt to address the matter of the immunity of Federal lands from taxation and the impact on State and local governments and the desirability of instituting a system for payments to States in lieu of taxes. H.R. 9719 does not provide a system for payments in lieu of taxes, but rather it creates an alternative system to the payments presently authorized by law.

We recommend against the enactment of H.R. 9719, because we believe that before meaningful and equitable improvements can be made in the present systems used to share receipts from Federal

lands, a comprehensive study will have to be made to assure that changes which are beneficial to some State and local governments do not create even more serious inequities for other State and local governments or for the Federal government. At the present time, no comprehensive study has been instituted to consider this highly complex issue.

The potential ramifications of H.R. 9719 are very broad. We believe, this bill does not deal with the issues in a precise manner. For example, section (c) provides for payment of "75¢ for each acre of land within the boundaries of the State or political subdivision with respect to which a payment is authorized (or would be authorized if revenue were produced from such land)" to be made under listed statutes. It is not clear whether the 75¢ is to be paid for each acre of revenue producing or producible land only, or for every acre of Federally owned land (public domain, National Parks, Defense, post offices, etc.) in a State where there is Federal land capable of revenue producing under the listed statutes, or for the total acreage of lands in such States. It is not clear whether it is intended that payment be made for privately owned or State owned land within the State. In any event, the attached chart shows payments that were made to States in fiscal year 1975 and that would have been made if H.R. 9719 had applied to cover only the Bureau of Land Management administered lands.

Payments by the Bureau of Land Management alone would increase over 300% from $106 million to $398 million. Principal beneficiaries would be Alaska, Arizona, California, Idaho, Colorado, Montana, Nevada, and Utah. Each could receive a payment in excess of $1 million greater than would otherwise be received. The payment to Alaska would increase from $6 million to over $207 million annually. In all probability, 13 of the 27 States receiving a payment from the Bureau of Land Management from 1974 revenues would elect to receive the 75¢ per acre because it would yield a higher payment. In some instances the payment might be substantially greater than the total income from Federal land received by the Federal Government.

We know of no basis or rationale upon which to establish a 75¢ per acre annual payment as opposed to some other payment. Without some comprehensive analysis to establish a rationale basis for such a per-acre figure, we believe that any amount selected is highly arbitrary.

The bill has no authorization for appropriation. It could not be properly budgeted for unless the Secretary required States to make their elections two fiscal years in advance.

Many other important questions arise as to the potential impact and applicability of H.R. 9719. Would subsurface estates, where the surface is privately owned, be included? Would the 75¢ payment apply to acquired lands, or DOD and GSA administered lands? If section (c) provides for payments only on lands capable of revenue producing would payment have to be made for lands withdrawn from mining? A special problem may arise in Alaska. How do ANCSA withdrawals fit into the picture? How will interim conveyances to native villages and corporations be handled, or lands tentatively approved to the State? How would the payments be handled to a State which is entitled to revenues under a statute not listed in the

bill as well as a listed statute? For example, Oregon and California (O&C) counties in Oregon would get 50% of receipts from O&C lands, the equivalent of ad valorem taxes on Coos Bay Wagon Road lands plus a share of Forest Service receipts (25%) while the State could get 75¢ per acre on all lands by waiving what amounts to a minor amount of mineral and grazing receipts.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN H. KYL,
Assistant Secretary of the Interior.

Attachment.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., November 12, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: As you requested, here is our report on H.R. 9719, a bill "To provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality."

The Department of Agriculture recommends that H.R. 9719 not be enacted.

H.R. 9719 would permit a State or local government to elect, on an annual basis, to receive (1) payments to which it is entitled under one or more of seven provisions of law cited in the bill, or (2) an amount equal to 75 cents for each acre of land within the boundaries of the State or political subdivision for which a payment is authorized (or would be authorized if revenue were produced from such land) under any of the seven provisions cited in the bill. The election of a payment alternative would be in a manner and at a time as the Secretary of the Interior might by regulation provide. Each election would apply only to amounts required to be paid during the fiscal year for which the election was made, and only one election could be made during any annual period.

About one-third (nearly 800 million acres) of the Nation's land area is in Federal ownership. Because of the sovereignty of the United States, these lands cannot be taxed by State and local governments. However, Congress has directed through various laws that State and local governments shall receive some financial compensation for Federal lands within their boundaries. This compensation is primarily provided through the sharing of Federal receipts generated from the use of Federal lands and facilities and from the sale and leasing of natural resources which occur on Federal lands.

The National Forest System provides a significant portion of the Federal land receipts which are shared annually with State and local governments. For fiscal year 1975, 39 States and Puerto Rico received more than $88 million as their 25-percent share of National Forest

receipts, pursuant to the Act of May 23, 1908 (35 Stat. 260, as amended; 16 U.S.C. 500). For calendar year 1974, 98 counties in 25 States received $831,000 as their 25-percent share of receipts from National Grasslands and Land Utilization Projects, pursuant to the Act of July 22, 1937 (50 Stat. 526; 7 U.S.C. 1012). These two authorities are among the seven authorities that would be affected by H.R. 9719.

For fiscal year 1975, eight of the 39 States that received a share of National Forest receipts (California, Louisiana, Mississippi, Missouri, Oregon, South Carolina, Texas, and Washington) averaged more than 75 cents per National Forest acre. Three States (South Dakota, Utah, and Wyoming) averaged about 4 cents per acre. The nationwide average for fiscal year 1975, considering only shared National Forest receipts, was 48 cents per acre.

The Department of Agriculture recognizes, as did the Public Land Law Review Commission, that the present systems used to share receipts from Federal lands are not uniform and have other shortcomings. We support, in concept, more equitable payments to State and local governments to help compensate for local services which benefit Federal lands. However, in our judgment, meaningful and equitable improvements will require comprehensive studies and actions to assure that changes which are beneficial to some State and local governments do not create even more serious inequities for other State and local governments or for the Federal government. Any equitable approach must recognize and take into account both the tangible and intangible benefits which State and local governments receive from Federal lands within their boundaries.

The Forest Service of this Department is entering into an agreement with the Advisory Commission on Intergovernmental Relations for a study of payments to State and local governments from National Forest System receipts. The Commission was established by the Act of September 24, 1959 (73 Stat. 703, as amended; 42 U.S.C. 4271), and its responsibilities include making studies and investigations necessary or desirable to recommend the most desirable allocation of revenues among the several levels of government. We recognize that a study dealing with only National Forest System receipts should probably be supplemented by studies dealing with receipts from other Federal lands.

The potential ramifications of H.R. 9719 are very broad, and we have several concerns about the rationale and effects of the bill. First, we believe that any amount selected for an alternative per-acre payment would be arbitrary unless it was supported by a comprehensive analysis. We are not aware of any particular rationale that would recommend an alternative annual payment of 75 cents per acre over some other per-acre figure.

H.R. 9719 would permit both State and local governments to elect the 75-cent payment in lieu of the amounts they would receive under any of the provisions of law cited in the bill. In the case of National Forest System receipts, States could make elections in lieu of payments authorized from National Forest receipts (16 U.S.C. 500) while counties could make elections in lieu of payments authorized from National Grassland and Land Utilization Project receipts (7 U.S.C. 1012). There could be hundreds of annual elections which would be

recorded and administered by the Secretary of the Interior. Notification of elections affecting National Forest System payments would be provided to the Secretary of Agriculture for our use in determining which payment alternative to apply to a particular State or county during that year. The total administrative burden could be substantial.

Payments made from National Forest receipts to the States (16 U.S.C. 500) are expended for the benefit of public schools and roads in counties having National Forest acreage. Some counties that now annually receive substantially more than 75 cents per National Forest acre could have their payment reduced to 75 cents per National Forest acre if the State elected the 75-cent payment based upon statewide National Forest receipts. The situation could be further complicated in counties that contain both National Forest acreage and National Grassland or Land Utilization Project acreage. In this case, the counties could benefit from a 75-cent payment for one type of acreage and the 25-percent-of-receipts payment for the other type of acreage.

While those States and counties that have historically received less than 75 cents per acre would be expected to routinely make the election provided in H.R. 9719, those that have received payments at about the 75-cent level would be faced with a very difficult choice, due to fluctuations in receipts from year to year. A State or county might elect the 75-cent payment based upon the previous year's receipts only to find later that a 25-percent payment of the current year's receipts would have amounted to more than 75 cents per acre.

The amounts received from National Forest System receipts by the States and counties pursuant to existing law (16 U.S.C. 500 and 7 U.S.C. 1012) must be used for public schools and roads. While H.R. 9719 is not clear in this regard, it appears that there would be no requirement to apply the 75-cent payment, if it was elected, to public schools and roads. This could be beneficial or detrimental depending upon local conditions.

Finally, we are very concerned that enactment of H.R. 9719 could result in substantially reduced Federal revenues from the National Forest System and thus contribute to an already large Federal deficit. Assuming for fiscal year 1975 that each State which received less than 75 cents for each National Forest acre had elected the 75-cent payment, and that each State which received more than 75 cents for each National Forest acre had not elected the 75-cent payment, Federal payments to those States containing National Forest lands would have increased from $88 million to $173 million. Using the same assumptions for the National Grasslands and Land Utilization Projects, payments to counties for calendar year 1974 would have increased from $831,000 to $2.9 million.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Acting Secretary

DEPARTMENT OF JUSTICE,
Washington, D.C., December 8, 1975

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice on H.R. 9719, a bill "To provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality."

State and local governments are presently entitled by several statutes to payments of a percentage of income received from the leasing, licensing, sale, etc. of certain lands of the United States. This bill would allow the State and local governments, at their elections each year, to receive instead 75 cents for each acre of federal land otherwise subject to the provisions of the statutes listed in the bill. These statutes are administered by several agencies.

The Secretary of Agriculture administers both the Act of May 28, 1908, 16 U.S.C. 500, which authorizes transfer to certain states of 25 percent of funds received from national forests, and the Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1021, which allocates to local counties 25 percent of the revenues received from soil conservation programs. The provisions administered by the Secretary of the Interior include Section 35 of the Mineral Leasing Act, 30 U.S.C. 191, which requires payment to the states of 37½ percent of revenues from the leasing of coal, phosphate, oil, oil shale, gas, and sodium on public domain lands, Section 6 of the Acquired Lands Mineral Leasing Act, 30 U.S.C. 355, which requires distribution of revenues from mineral leasing in the same manner as other receipts from such acquired lands, and Section 10 of the Taylor Grazing Act, 43 U.S.C. 315*i*, whereby 12½ to 50 percent of funds received for grazing on the public domain are remitted to the states wherein the lands are located. The Federal Power Commission is required by Section 17 of the Federal Power Act, 16 U.S.C. 810, to pay to the states 37½ percent of revenues generated by license fees. Sections 9 and 27 of the enabling Act of June 20, 1910, 36 Stat. 557, 563, 574, direct the transfer to the States of Arizona and New Mexico of 5 percent of net proceeds from the sale of public lands.

We note parenthetically that Section 10 of the Taylor Grazing Act is incorrectly cited in H.R. 9719 as 43 U.S.C. 3151, rather than 43 U.S.C. 315*i*.

This Department has no administrative or program responsibilities involving the subject matter of H.R. 9719. Therefore, as to the merits of the proposed legislation, we defer to the agencies who administer the affected statutes.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

MICHAEL M. UHLMANN,
Assistant Attorney General,
Office of Legislative Affairs.

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., November 11, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 9719, "To provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality."

The bill would permit State and local governments currently receiving payments from the Treasury based on percentages of revenues to the Federal Government from private users of Federal lands within their boundaries to substitute for such payments a flat 75 cents per acre payment from the Federal Government. Also, it would permit a government, including one not now receiving Federal payments, to receive this same 75 cents per acre payment whether or not Federal lands within its boundaries are currently earning revenue for the Federal Government. Thus, the Federal Government would pay a minimum of 75 cents per acre on Federal lands, since election to receive revenues in this manner would be optional with the State or local government.

In view of the apparent substantial costs, and in the absence of any demonstration of net benefits, the Department sees no justification for this legislation and is opposed to its enactment.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely yours,

RICHARD R. ALBRECHT,
General Counsel.

ADDITIONAL VIEWS OF JONATHAN BINGHAM

I shall support H.R. 9719, but only after doubt and hesitation. I feel obliged to record, here, the reasons both for my doubts and for my ultimate support for the bill.

First, let me establish exactly what I believe H.R. 9719 is, and what it is not. Most importantly, it is not—and doesn't pretend to be—a comprehensive attempt to rewrite Federal policy on how to compensate localities for federally owned lands in their midst. The basic statutes dealing with that issue will not be changed by H.R. 9719; payments for mineral and timber activities on federal lands will continue to deal with the myriad of payments statutes whose inconsistency and frequent unfairness are what prompted review of this issue in the first place.

What this bill does undertake, however, is to undo some of the harm that our inconsistent statutes have caused to localities, the character of whose federal lands does not entitle them to compensate under the more generous of our public land statutes. Numerous hearings conducted on H.R. 9719 by the Subcommittee on Energy and the Environment have established, to my satisfaction, that a good number of local governments exist—or just barely exist—whose

viability is threatened by the fact that their federal lands are covered by relatively miserly statutes. H.R. 9719 attempts to deal with the plight of such local governments, but *not* by taking into account the value of their federally owned lands (which would have meant a comprehensive revision of our lands policy), nor by calculating the degree of the area's privation. Rather, the bill uses the idea of the arbitrary minimum payment ($.75/acre), in the hope that this will help minimize both the unfairness of our current system, and the fiscal problems that this unfairness has caused. (I must note here my opposition to Section 2(a)(2) of the bill, which departs from the arbitrary minimum principle by providing an extra $.10 an acre to any county which already gets an average of $.75 an acre or more for its federal lands; this provision gives the bill the appearance of a pork-barrel give-away, which I hope it is not).

In other words, I would say that what H.R. 9719 *is*, is a bill to provide financial assistance to local governments whose fiscal viability has been threatened by a frequently irrational Federal policy.

Thus explained, I think it should be clear that H.R. 9719 deals with a very special and very small aspect of the Nation's number one problem—the way in which irrational Federal policies have threatened the viability of local government in certain areas of the country. H.R. 9719 deals with the specific case of small county governments, mainly in the West, whose problems are the result of massive Federal land ownership without a rational and fair compensation policy. But where, I must ask, is the crisis of local government most acute today? The answer is obvious—not in Western rural county governments, but in our older, populous cities. The viability of local government in our cities is today dangerously threatened by the cumulative effect of years of the irrational, destructive urban policy of the Federal Government. The Interstate Highway System, the almost total absence of a national welfare policy, the misallocation of massive capital resources to unnecessary arms systems instead of to the industrial development necessary to fight hard-core poverty—these Federal policies have impoverished our inner cities as surely as if the Federal Government were buying up taxable city lands and converting them into garbage dumps.

The fact that urban governments face such acute crises today does not mean that we should not move when we can, to meet the crises of local government elsewhere in our Nation. The fact that the Congress has not even begun to recognize the nature and dimensions of our urban crisis does not mean that an urban Congressman ought to vote against a reasonable bill to relieve the fiscal distress of sparsely populated counties. I am voting for H.R. 9719, despite the fact that it gives money outright to numerous counties whose Representatives wouldn't even loan money to New York City in her distress; I am voting for it because it is a reasonable—though certainly imprecise—way to minimize the harmful impact of particular Federal policies on certain local economies and governments.

I hope that those members of Congress who have been passionate in their advocacy of H.R. 9719 will pause to recognize the parallel between this bill and the need for new legislation to relieve the crises of our inner cities. I hope, too, that when voting for H.R. 9719, its

advocates will pause briefly to remind themselves of where the tax dollars to pay for this bill will come from; perhaps that moment's lesson in interdependence will somewhat lessen the burden of suspicion and dislike that the great cities bear when they come to Congress to ask for economic justice.

JONATHAN BINGHAM.

SEPARATE VIEWS OF JOE SKUBITZ

The concept of requiring Federal payments to local units of government in lieu of taxes on Federally owned land is widely acclaimed in Western States. It is in these States (where Federal ownership averages 52 percent of the land), that the impact of Uncle Sam's holdings are greatest.

Although I do not come from one of those far-western States (only 1.3% of Kansas is Federally owned) I support the principle of "payments in lieu of taxes". It is reasonable that the Federal government should meet its responsibilities as a landowner just as any other landowner is expected to do.

However, my views sharply differ with those of the majority of this Committee in one important respect. H.R. 9719 requires the Federal government to make payments in lieu of taxes for lands within the National Park System. These Federally owned lands, far from being a burden on local governments, have actually *increased* local revenues and *improved* property values. It will be obvious to the politically astute observer that these 300 units of the National Park Service were only added to the bill as a sweetner—to entice the votes of Representatives whose only local Federal enclave is a unit of the National Park Service and whose District would not otherwise benefit from the bill. I object to the addition of this pork-barrel ornament to H.R. 9719. Remove it, and the bill should become public law.

PUBLIC LAND LAW REVIEW COMMISSION

The principle of "payments in lieu of taxes" could have no finer endorsement than that of the Public Land Law Review Commission, established by the Congress in 1964. Its blue-ribbon panel of six Representatives, six Senators, and six Presidential appointees concluded in its June, 1970, report entitled, "One Third of the Nation's Land":

> This Commission is convinced that the United States must make some payments to compensate state and local governments which have burdens imposed on them because of Federal ownership of public lands within their borders. Even though it is recognized that Federal expenditures must be held to the minimum necessary to provide essential Federal programs, the Federal Government, as a landowner, must pay its way. Whatever the costs, fairness and equity demand that such payments be made.

"BURDENSOME" FEDERAL LANDS

I hasten to point out that the Commission did not recommend payments for *all* Federally owned lands, but only those which impose "burdens" on State and local governments. Generally, Federal land ownership is burdensome when the size of the Federal holding has so eroded the local property tax base that the local unit of government can no longer raise sufficient revenues to meet its obligations.

As the following chart demonstrates, the impact of large Federal enclaves lies almost exclusively in eleven far western States and the State of Alaska. These twelve States contain 93.5 percent of all Federally owned land.

The largest portion of land in public ownership is under the jurisdiction of the Bureau of Land Management. BLM controls 470,340,620 acres of the total Federal estate of 760,532,175 acres. The next largest block of Federal lands is the 187,247,352 acres in National Forests. These two categories constitute 86.5 percent of all Federal land ownership. Every acre is contemplated for payments in lieu of taxes under H.R. 9719, and I have no quarrel with that. I also believe the Committee properly included 8,200,632 acres of Bureau of Reclamation lands.

NATIONAL PARKS ARE NOT "BURDENS"

The final large block of Federally owned lands covered by H.R. 9719 is the 24,819,244 acres in the National Park System. This is not just the big National Parks themselves, but includes *all* Park System lands—memorial parks, battlefields, cemeteries, scientific reserves and scenic trails, historical sites, seashores, lakeshores—all 300 units of the System. We would even owe the District of Columbia *annual* payments of $13.50 for the White House, $79.50 for the Washington Monument, $13.50 for the Jefferson Memorial, $123.00 for the Lincoln Memorial, $109.50 for the Mall, and 15 cents for the Ford Theater!

My objections to including units of the National Park System in H.R. 9719 are rooted in the corollary to the Public Land Law Review Commission's conclusion. Quite simply, Federal lands which are not a burden, which in fact are an asset to a local government, should not be taxed or subject to payments in lieu of a tax. Payments for units of the National Park Service are particularly hard to reconcile when local governments have cajoled, coerced, coaxed, pleaded, and persuaded the Congress to establish the park unit in the first place.

In my fourteen years on the National Parks Subcommittee, I have listened to hundreds of witnesses testify in favor of park units in their areas as an economic boon—recreation opportunities, tourism business. The selling of a National Park by local officials has brought near unanimous agreement that the community would prosper—that property values would, in fact, go up!

I cite just one recent example. In 1974, the Congress passed a bill establishing the Cuyahoga Valley National Historical Park and Recreation Area. During the hearings, Congressman John Seiberling had this to say about Cuyahoga's effect on the local economy:

> . . . the actual experience, as I understand it, has been that the tax situation of local areas in the end has always been enhanced by the creation of new parks. I am sure that would be the case here.

Other witnesses noted Federal acquisition had been endorsed by 46 state and local organizations in Ohio. The City Council of Akron endorsed Federal acquisition as an "emergency measure". The State

PUBLICLY OWNED LANDS IN THE WESTERN STATES AND ALASKA

State	National parks	Bureau of Reclamation	BLM	National forest	Total public lands	Total State acreage	Percent in public lands
Alaska	7,536,813	0	276,307,960	20,715,469	352,442,229	365,481,600	96.4
Arizona	2,343,389	1,084,195	12,536,963	11,220,615	31,348,709	72,688,000	44.0
California	4,427,569	1,162,649	15,585,619	20,229,287	45,120,137	100,206,720	45.0
Colorado	599,241	346,917	8,331,896	14,364,726	23,973,450	66,485,760	36.1
Idaho	86,872	467,207	12,048,825	20,375,388	33,732,820	52,933,120	63.7
Montana	1,217,226	318,102	8,145,052	15,730,935	27,651,049	93,271,040	29.6
Nevada	698,665	969,528	48,359,949	5,112,567	60,774,528	70,264,320	86.5
New Mexico	245,886	259,190	13,038,688	9,216,297	26,091,652	77,766,400	33.6
Oregon	162,917	255,462	15,729,620	15,144,302	32,234,310	61,498,720	52.3
Utah	1,927,438	1,315,860	22,722,316	7,991,938	34,882,451	52,696,960	66.2
Washington	1,811,114	519,953	421,824	10,619,908	12,576,493	42,693,760	29.5
Wyoming	2,387,447	852,126	7,486,953	9,251,087	29,927,861	62,343,040	48.0
Total	23,444,577	7,551,189	440,715,670	160,972,539	711,355,698	1,118,329,440	63.4
Total, United States	24,819,244	8,200,632	470,340,620	187,247,352	760,532,175	2,271,343,360	33.5

would profit from increased gas sales, motel and restaurant business—NO ONE suggested the lands to be acquired and Federally owned would burden the local property tax base. Now under H.R. 9719, Uncle Sam would be required to pay 75 cents per acre annually—forever—to the local unit of government.

And Cuyahoga is not a large park. Its 30,000 acres are dwarfed by Yellowstone at 2,219,737 acres; Mount McKinley, 1,939,493 acres; Big Cypress National Preserve, 570,000 acres; Everglades, 1,400,533 acres; and Death Valley, 2,067,793 acres, to name only a few of the larger National Park System units.

In commenting on the question of whether parks are a boon to local economies, the National Park Service made the following observations in a letter to the Committee:

> We enclose also for your review two divergent reports which substantiate the fact that new national park areas recover their economic costs rapidly after creation of the area. One was prepared by an impersonal study conducted by a journalist from Eugene, Oregon, because of an impending Oregon National Seashore plan. He found that in Cape Hatteras, in 1959, six years after the park was created, that private land values escalated as much as 100 times their value before the park, that bank deposits tripled, that visitors to the area increased 350 percent, that business from tourists rose 150 to 200 percent, that land values on the rolls rose from $1 million before the national seashore to $25 million six years later, and that generally the area did not suffer economic loss.
>
> In 1969, a study commissioned by the Department of the Interior for Cape Cod National Seashore compared figures with an earlier report nine years before, when the Cape Cod law was under discussion. The study concluded that employment increased sharply, wages of covered workers doubled, real estate values doubled, tax rates were reduced to remaining owners, municipal debt declined, construction increased drastically, tourist industry and jobs increased approximately 50 percent, and the area suffered no harm economically. These two areas differ in climate, and location, and one, Cape Cod, being near an urban community, the other very remote from any cities. Yet results were quite similar.

Existing parks, as well as future parks, qualify for payments in lieu of taxes under H.R. 9719. I, for one, will want to consider more critically the cost of future units of the National Park System if this bill should pass. For example, in the case of the Chattahoochee River National Recreation Area now under consideration in Committee, H.R. 9719 would add an annual Federal payment of $3,375 to the City of Atlanta or other unit of local government as an additional cost of creating the park. This payment is in perpetuity—for as long as the Federal government owns the land.

But that's not all. H.R. 9719 provides for a "double dip" for parks like Chattahoochee which will give the local government another $2 million over the next five years under the guise of a "payment in lieu of taxes".

Double Dip for Some Parks

Finding that National Parks and wilderness areas are somehow a greater burden to local governments in the first five years after their creation, the Committee has added an extra sweetener for all units of the National Park System and National Wilderness Preservation System acquired after December 31, 1970. The "double dip" consists of an extra payment, in addition to the 75 cents per acre, equal to one percent of the fair market value of such lands on the date the parks or wilderness lands are acquired. This double dip into the Federal Treasury is paid annually for five years.

All the reasons for not making payments in lieu of taxes for units of the National Park System are equally as valid against the double dip provision. Can there be any question now that the true purpose for including National Park System lands in the bill was to attract the unsuspecting Representative from a non-western State into voting for H.R. 9719 because of some payment to a Parks' unit in his District. If he is so persuaded, he will have traded pennies for his own District while the eleven western States and Alaska take home the gold. That kind of horse trading seems to characterize the abilities of Westerners trading with Easterners.

In hard figures, H.R. 9719 will cost nearly $120 million in the first year after enactment. More than $91 million will go to the eleven far western States and Alaska. The remaining $20 million will be paid to the 38 States where little land is owned by Uncle Sam. The accompanying chart estimates the first year payments to each State together with the known size of the Federal land holdings therein.

FEDERALLY OWNED LANDS AND PAYMENTS UNDER H.R. 9719

State	State size in acres	Federal land in acres	Percent Federally owned	1st yr payments under H.R. 9719
Alabama	32,678,400	1,115,371	3.4	$262,296
Alaska	365,481,600	352,442,229	96.4	5,180,117
Arizona	72,688,000	31,948,709	44.0	9,478,182
Arkansas	33,599,360	3,202,998	9.5	938,094
California	100,206,720	45,120,137	45.0	10,825,505
Colorado	66,485,760	23,973,450	36.1	10,852,373
Connecticut	3,135,360	9,515	.3	0
Delaware	1,265,920	38,595	3.0	0
District of Columbia	39,040	10,283	26.1	4,393
Florida	34,721,280	3,422,587	9.9	1,421,216
Georgia	37,295,360	2,215,297	5.9	443,932
Hawaii	4,105,600	417,824	10.2	183,350
Idaho	52,933,120	33,732,820	63.7	9,300,631
Illinois	35,795,200	561,386	1.6	166,550
Indiana	23,158,400	481,729	2.1	109,867
Iowa	35,860,480	223,776	.6	105
Kansas	52,510,720	706,069	1.3	52,251
Kentucky	25,512,320	1,348,022	5.3	429,440
Louisiana	28,867,840	1,075,238	3.7	59,588
Maine	19,847,680	130,724	.7	56,411
Maryland	6,319,360	200,482	3.2	28,013
Massachusetts	5,034,880	74,742	1.5	19,623
Michigan	36,492,160	3,389,549	9.3	2,179,023
Minnesota	51,205,760	3,358,170	6.6	1,736,999
Mississippi	30,222,720	1,646,402	5.4	400,850
Missouri	44,248,320	2,086,826	4.7	439,241
Montana	93,271,040	27,651,049	29.6	8,925,708
Nebraska	49,031,680	693,168	1.4	252,940
Nevada	70,264,320	60,774,528	86.5	5,546,492
New Hampshire	5,768,960	710,073	12.3	382,908
New Jersey	4,813,440	130,929	2.7	16,671
New Mexico	77,766,400	26,091,652	33.6	10,531,615
New York	30,680,960	245,553	.8	25,614
North Carolina	31,402,880	1,952,392	6.2	679,047

FEDERALLY OWNED LANDS AND PAYMENTS UNDER H.R. 9719—Continued

State	State size in acres	Federal land in acres	Percent Federally owned	1st yr payments under H.R. 9719
North Dakota	44,452,480	2,308,606	5.2	418,136
Ohio	26,222,080	327,792	1.3	90,500
Oklahoma	44,087,680	1,536,883	3.5	143,543
Oregon	61,598,720	32,234,310	52.3	4,554,997
Pennsylvania	78,804,480	656,646	2.3	64,796
Rhode Island	677,120	7,109	1.1	0
South Carolina	19,374,080	1,141,638	5.9	64,203
South Dakota	48,881,920	3,290,258	6.7	1,376,106
Tennessee	26,727,680	1,781,705	6.7	561,449
Texas	168,217,600	3,178,049	1.9	909,384
Utah	52,696,960	34,882,460	66.2	7,220,041
Vermont	5,936,640	274,377	4.6	169,766
Virginia	25,496,320	2,348,859	9.2	1,337,328
Washington	42,693,760	12,576,493	29.5	3,614,742
West Virginia	15,410,560	1,066,568	6.9	607,898
Wisconsin	35,011,200	1,810,370	5.2	992,339
Wyoming	62,343,040	29,927,861	48.0	5,380,659
Total	2,271,343,360	760,532,175	33.5	108,164,902

The payments listed in the above chart are in *addition* to the payments already received in each State for Federally collected grazing fees, timber royalties, and other sources of revenues from Federal lands *shared* under current law with States or units of local governments.

If Parks, Then Why Not Military Installations?

If the Congress is persuaded to make payments in lieu of taxes for units of the National Park System, then I would fail to see why the principle is not fairly extended to U.S. lands used for military installations. Surely these lands are far more of a burden to the local governments than the revenue-producing National Park areas.

H.R. 9719 does not include lands owned in fee by the Department of Defense. Thus, some 6,619,000 acres of military lands are excluded from payments in lieu of taxes. Most of the remainder of the 25,559,000 acres controlled by DOD are covered by H.R. 9719 because they are largely BLM and Forest Service owned lands. The 25.9% not eligible for payments under the bill cuts out potential payments in many non-western States.

There are 4,105 military installations in the 50 States, including recruiting stations. The size and location of the larger military posts are listed in the following chart.

Joe Skubitz,
Ranking Minority Member.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*

State and military department and name of installation or activity	Nearest city or location	Total acres
Alabama:		
Army:		
Anniston Army Depot	Anniston	15,246
McClellan, Fort	do	45,858
Redstone Arsenal	Huntsville	36,818
Rucker, Fort	Ozark	59,037
Air Force:		
Craig Air Force Base	Selma	2,564
Gunter Air Force Base	Montgomery	392
Maxwell Air Force Base [2]	do	3,174

See footnotes at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
Alaska:		
Army:		
Richardson, Fort	Anchorage	68,909
Wainwright, Fort	Fairbanks	656,010
Greely, Fort	Big Delta	640,511
Navy:		
Naval Communication Station	Adak	7,553
Naval station	do	53,448
Air Force:		
Eielson Air Force Base	Fairbanks	19,789
Elmendorf Air Force Base	Anchorage	13,177
Shemya Air Force Station	Shemya	3,520
Arizona:		
Army:		
Huachuca, Fort	Douglas	73,720
Yuma Proving Ground	Yuma	1,078,482
Navy: Marine Corps Air Station	Yuma	2,929
Air Force:		
Davis-Monthan Air Force Base	Tucson	11,404
Gila Bend Air Force Auxiliary Field	Gila Bend	1,886
Luke Air Force Base [13]	Phoenix	2,673,397
Williams Air Force Base	Chandler	3,849
Arkansas:		
Army: Pine Bluff Arsenal	Pine Bluff	14,473
Air Force:		
Blytheville Air Force Base	Blytheville	3,734
Little Rock Air Force Base	Jacksonville	6,661
California:		
Army:		
Monterey Presidio of	Monterey	456
Ord, Fort	do	28,619
Oakland Army Base	Oakland	562
Sacramento Army Depot	Sacramento	485
San Francisco, Presidio of	San Francisco	1,685
Sharpe Army Depot	Lathrop	724
Sierra Army Depot	Herlong	97,514
Navy:		
Fleet Antisubmarine Warfare School	San Diego	Tenant
Fleet Antiair Warfare Training Center	do	28
Long Beach Naval Shipyard	Long Beach	339
Marine Corps Air Facility	Santa Ana	1,578
Marine Corps Air Station (H), El Toro	do	4,331
Marine Corps Base	Camp Pendleton	239,042
Do	Twenty-Nine Palms	595,368
Marine Corps Recruit Depot	San Diego	503
Marine Corps Supply Center	Barstow	6,282
Naval Air Rework Facility	Alameda	Tenant
Do	San Diego	Tenant
Naval Air Facility	El Centro	545,213
Naval Air Station	Alameda	2,697
Do	Lemoore	39,173
Do	Miramar	15,548
Naval Air Station, Moffett Field	Mountain View	3,908
Naval Air Station	Point Mugu	Tenant
Naval Air Station, North Island	San Diego	16,136
Naval Amphibious Base, Coronado	do	4,044
Naval Undersea Center	do	32,207
Naval Communication Station	do	622
Do	Stockton	2,789
Naval Construction Battalion Center	Port Hueneme	1,666
Naval Hospital	Camp Pendleton, Oceanside.	339
Navy:		
Naval Hospital	Long Beach	65
Do	Oakland	220
Do	San Diego	85
Naval Amphibious School	do	Tenant
Naval Weapons Center	China Lake	1,093,634
Naval Postgraduate School	Monterey	629
Naval Public Works Center	San Diego	1,486
Naval Combat Systems Technical Schools Command	Vallejo	Tenant
Naval Schools Command, Treasure Island	San Francisco	Do
Naval Security Group Activity, Skaggs Island	Sonoma	3,309
Naval Station	San Diego	1,524
Naval Station Treasure Island	San Francisco	995
Naval Supply Center	Oakland	1,053
Do	San Diego	926
Naval Training Center	do	548
Naval Recruit Training Command	do	Tenant
Naval Weapons Station	Concord	12,823
Do	Seal Beach	13,970

See footnote at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
California—Continued		
Navy—Continued		
Navy Electronics Laboratory Center	San Diego	1,554
Navy Fuel Depot	San Pedro	Tenant
Pacific Missile Range	Point Mugu	27,096
Mare Island Naval Shipyard	Vallejo	4,089
Air Force:		
Air Force Plant 42	Palmdale	5,829
Almaden Air Force Station	Almaden	94
Beale Air Force Base	Marysville	22,944
Castle Air Force Base [2]	Merced	3,155
Edwards Air Force Base	Muroc	300,723
George Air Force Base	Victorville	5,247
Klamath Air Force Station	Requa	46
Los Angeles Air Force Station	Los Angeles	98
March Air Force Base	Riverside	7,887
Mather Air Force Base	Sacramento	5,796
McClellan Air Force Base [3]	do	2,979
Mill Valley Air Force Station	Mill Valley	110
Mount Laguna Air Force Station	Mount Laguna	129
Norton Air Force Base	San Bernardino	2,343
Point Arena Air Force Station	Point Arena	90
Travis Air Force Base	Fairfield	6,169
Vandenberg Air Force Base	Lompoc	98,364
Colorado:		
Army:		
Fort Carson	Colorado Springs	137,766
Fitzsimmons General Hospital	Denver	577
Pueblo Army Depot	Pueblo	25,941
Rocky Mountain Arsenal	Denver	17,268
Air Force:		
Air Force Accounting and Finance Center	Denver	Tenant
Air Force Academy	Colorado Springs	18,476
Ent Air Force Base	do	33
Lowry Air Force Base [4]	Denver	5,693
Peterson Field	Colorado Springs	994
Connecticut:		
Navy:		
Naval Submarine Base, New London	Groton	1,088
Naval Underwater Systems Development Center	New London	36
Naval Submarne School	do	Tenant
Delaware:		
Navy: Naval Facility	Lewes	364
Air Force: Dover Air Force Base [4]	Dover	3,645
District of Columbia:		
Army:		
Defense Mapping Agency Topographic Center	Washington	40
McNair, Fort Lesley J	do	89
Walter Reed Army Medical Center	do	113
Navy:		
Naval Observatory	do	72
Naval Photographic Center	do	Tenant
Naval Reconnaissance and Technical Support Center	do	Tenant
Naval Research Laboratory	do	130
Naval Security Station	do	38
Naval District	do	495
Air Force: Bolling Air Force Base	do	604
Florida:		
Navy:		
Naval Air Station	Cecil Field, Jacksonville.	19,132
Naval Security Group Activity	Homestead	818
Naval Air Station	Jacksonville	14,589
Do	Key West	18,537
Do	Pensacola	10,534
Naval Training Device Center	Orlando	Tenant
Naval Air Rework Facility	Jacksonville	Tenant
Do	Pensacola	Tenant
Naval Air Station, Saufley Field	do	5,101
Naval Air Station, Whiting Field	Milton	4,962
Naval Aerospace Regional Medical Center	Pensacola	89
Naval Technical Training Center, Corry Field	do	661
Naval Air Station, Ellyson Field	do	904
Naval Hospital	Jacksonville	75
Naval Station	Mayport	3,374
Navy Fuel Depot	Jacksonville	261
Naval Coastal Systems Laboratory	Panama City	673
Naval Air Technical Training Unit	Jacksonville	Tenant
Naval Public Work Center	Pensacola	242
Naval Training Center	Orlando	2,571

See footnotes at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation of activity	Nearest city or location	Total acres
Florida—Continued		
Air Force:		
Eglin Air Force Auxiliary Field 2	Niceville	752
Eglin Air Force Auxiliary Field 3	Crestview	596
Eglin Air Force Auxiliary Field 9	Fort Walton Beach	1,093
Eglin Air Force Base	Valparaiso	460,591
Homestead Air Force Base	Homestead	3,286
Jacksonville Air Force Station	Orange Park	22
MacDill Air Force Base	Tampa	5,748
Patrick Air Force Base	Cocoa Beach	2,342
Richmond Air Force Station	Perrine	141
Tyndall Air Force Base	Springfield	28,824
Georgia:		
Army:		
Fort Gillem (Atlanta Army Depot)	Forest Park	1,509
Fort Benning	Columbus	169,811
Fort Gordon	Augusta	55,518
Fort McPherson	Atlanta	505
Fort Stewart	Savannah	279,290
Hunter Army Air Field	do	5,685
Navy:		
Marine Corps Supply Center	Albany	3,328
Naval Air Station, Atlanta	Marietta	176
Navy Supply Corps School	Athens	58
Air Force:		
Dobbins Air Force Base	Marietta	2,296
Moody Air Force Base	Valdosta	5,429
Robins Air Force Base	Macon	7,624
Hawaii:		
Army:		
Fort Shafter Military Reservation	Honolulu	1,340
Schofield Barracks	do	14,132
Tripler Army Medical Center	do	367
Navy:		
Camp H. M. Smith (MC)	do	461
Fleet Operations Control Center	Kunia	90
Marine Barracks	Pearl Harbor	48
Marine Corps Air Station, Kaneohe Bay	Kailua	2,967
Naval Communication Station	Wahiawa	2,440
Naval Air Station, Barbers Point	Honolulu	32,785
Naval Station	Pearl Harbor	781
Naval Submarine Base	do	103
Naval Supply Center	do	145
Navy Public Works Center	do	2,077
Pearl Harbor Naval Shipyard	do	5,131
Naval Ammunition Depot	Lualualei	11,993
Air Force:		
Hickam Air Force Base	Honolulu	2,717
Wheeler Air Force Base	Wahiawa	1,390
Idaho:		
Navy:		
Naval Nuclear Training Unit	Idaho Falls	Not listed
Air Force: Mountain Home Air Force Base[1]	Mountain Home	114,414
Illinois:		
Army:		
Rock Island Arsenal	Rock Island	988
Savanna Army Depot	Savanna	13,104
Sheridan, Fort	Highwood	720
Navy:		
Naval Air Station	Glenview	1,285
Naval Hospital	Great Lakes	85
Naval Training Center	do	1,038
Naval Public Works Center	do	3,117
Naval Recruit Training Command	do	Tenant
Air Force:		
Chanute Air Force Base[2]	Rantoul	2,174
O'Hare International Airport	Chicago	391
Scott Air Force Base	Belleville	2,863
Indiana:		
Army:		
Harrison, Fort Benjamin	Indianapolis	2,683
Jefferson Proving Ground	Madison	55,290
Navy:		
Naval Ammunition Depot	Crane	62,463
Naval Avionics Facility	Indianapolis	163
Air Force: Grisson Air Force Base	Peru	3,022
Kansas:		
Army:		
Leavenworth, Fort	Leavenworth	5,937
Riley, Fort	Junction City	190,310
Air Force: McConnell Air Force Base	Wichita	2,950

See footnotes at end of table.

PRINCPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
Kentucky:		
Army:		
Campbell, Fort	Clarksville	36,635
Knox, Fort	Louisville	110,261
Lexington-Blue Grass Army Depot	Lexington	780
Navy: Naval Ordnance Station	Louisville	129
Louisiana:		
Army: Polk, Fort	Leesville	198,454
Navy:		
Naval Air Station	New Orleans	4,893
Naval Support Activity	do	35
Air Force:		
Barksdale Air Force Base	Shreveport	22,361
England Air Force Base	Alexandria	2,407
Maine:		
Navy:		
Naval Air Station	Brunswick	3,571
Naval Radio Station Cutler	East Machias	3,000
Naval Security Group Activity	Winter Harbor	671
Air Force:		
Bucks Harbor Air Force Station	Bucks Harbor	87
Caswell Air Force Station	Caswell	55
Charleston Air Force Station[2]	Charleston	192
Loring Air Force Base[2]	Limestone	9,011
Maryland:		
Army:		
Aberdeen Proving Ground, Edgewood Arsenal	Aberdeen	8,076
Detrick, Fort	Frederick	1,222
Meade, Fort George G	Odenton	13,581
Ritchie, Fort	Cascade	628
National Security Agency	Odenton	Tenant
Harry Diamond Laboratories[1]	Adelphi	2,187
Navy:		
Naval Ship Research and Development Center	Carderock	299
National Naval Medical Center	Bethesda	242
Naval Acadmey	Annapolis	1,194
Naval Air Test Center	Patuxent River	6,873
Defense Mapping Agency, Hydrographic Center	Suitland	Tenant
Naval Air Facility, Andrews Air Force Base	Camp Springs	113
Naval Hospital	Annapolis	17
Naval Ordnance Laboratory	White Oak	6,013
Naval Ordnance Station	Indian Head	3,449
Naval Station	Annapolis	257
Naval Oceanographic Office	Suitland	Tenant
Naval Ship Research and Development Center, Annapolis Laboratory	Annapolis	26
Naval Communication Station	Cheltenham	Tenant
Air Force: Andrews Air Force Base	Camp Springs	4,869
Massachusetts:		
Army:		
Army Materiel and Mechanical Research Center	Watertown	48
Devens, Fort	Ayer	9,146
Natick Laboratories[4]	Natick	3,880
Navy:		
Naval Air Station	South Weymouth	3,285
Naval Facility	Nantucket	134
Air Force:		
Laurence G. Hanscom Field	Bedford	1,311
North Truro Air Force Station	North Truro	134
Michigan:		
Army: Detroit Arsenal	Warren	272
Air Force:		
Empire Air Force Station	Empire	100
K. I. Sawyer Air Force Base	Marquette	3,648
Kincheloe Air Force Base	Kinross	6,175
Sault Ste. Marie Air Force Station	Sault Ste. Marie	44
Wurtsmith Air Force Base	Oscoda	5,205
Minnesota:		
Air Force:		
Baudette Air Force Station[2]	Baudette	77
Finland Air Force Station	Finland	127
Duluth International Airport[2]	Duluth	1,975
Minneapolis/St. Paul International Airport	Minneapolis	277
Mississippi:		
Navy:		
Naval Air Station	Meridian	13,524
Naval Construction Battalion Center	Gulfport	4,445
Air Force:		
Columbus Air Force Base	Columbus	4,894
Keesler Air Force Base[1,4]	Biloxi	3,604

See footnotes at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
Missouri:		
Army: Wood, Fort Leonard	Waynesville	70,976
Air Force:		
Defense Mapping Agency, Aerospace Center	St. Louis	64
Richards-Gebaur Air Force Base [4]	Grandview	2,419
Whiteman Air Force Base	Knobnoster	3,730
Montana:		
Air Force:		
Malstrom Air Force Base	Great Falls	3,540
Havre Air Force Station	Havre	110
Kalispell Air Force Station [2]	Kalispell	242
Opheim Air Force Station	Opheim	51
Nebraska:		
Air Force: Offutt Air Force Base	Omaha	2,690
Nevada:		
Navy:		
Naval Ammunition Depot	Hawthorne	153,656
Naval Air Station	Fallon	122,000
Air Force:		
Indian Springs Auxiliary Air Field	Indian Springs	1,692
Nellis Air Force Base	Las Vegas	3,012,733
New Hampshire:		
Navy: Portsmouth Naval Shipyard	Portsmouth	286
Air Force: Pease Air Force Base	do	4,372
New Jersey:		
Army:		
Fort Dix	Wrightstown	31,931
Military Ocean Terminal	Bayonne	679
Fort Monmouth	Oceanport	790
Picatinny Arsenal	Dover	6,491
Navy:		
Naval Air Station	Lakehurst	7,412
Naval Air Propulsion Test Center	Trenton	99
Naval Ammunition Depot	Earle	11,165
Air Force:		
Gibbsboro Air Force Station	Gibbsboro	23
McGuire Air Force Base	Wrightstown	3,552
New Mexico:		
Army: White Sands Missile Range	Las Cruces	1,755,963
Navy: Naval Ordnance Missile Test Facility	White Sands Missile Range, Las Cruces.	112
Air Force:		
Cannon Air Force Base	Clovis	4,314
Holloman Air Force Base	Alamagordo	50,054
Kirtland Air Force Base/Sandia Base	Albuquerque	46,390
New York:		
Army:		
Fort Hamilton	Brooklyn	177
Seneca Army Depot	Romulus	10,561
Watervliet Arsenal	Watervliet	10
West Point Military Reservation	West Point	15,974
Navy: Naval support activity	Brooklyn	135
Air Force:		
Griffiss Air Force Base	Rome	3,888
Air Force Station	Montauk	312
Plattsburgh Air Force Base [4]	Plattsburgh	9,650
Saratoga Air Force Station	Saratoga Springs	50
Watertown Air Force Station	Watertown	89
Niagara Falls International Airport	Niagara Falls	980
North Carolina:		
Army:		
Fort Bragg	Fayetteville	130,696
Sunny Point Military Ocean Terminal	Southport	16,324
Navy:		
Marine Corps Air Facility	New River	1,290
Marine Corps Air Station	Cherry Point	26,683
Marine Corps Base	Camp LeJeune	97,307
Naval Facility, Cape Hatteras	Boston	58
Naval hospital	Camp LeJeune	127
Naval Air Rework Facility	Cherry Point	Tenant
Air Force:		
Pope Air Force Base	Springlake	1,708
Fort Fisher Air Force Station	Kure Beach	102
Roanoke Rapids Air Force Station	Roanoke Rapids	62
Seymour-Johnson Air Force Base	Goldsboro	4,195
North Dakota:		
Air Force:		
Finley Air Force Station [2]	Finley	4,566
Fortuna Air Force Station	Fortuna	125
Grand Forks Air Force Base	Grand Forks	5,315
Minot Air Force Base	Minot	5,277

See footnotes at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
Ohio:		
Army: Defense Construction Supply Center	Columbus	586
Air Force:		
Gentile Air Force Station	Dayton	165
Rickenbacker Air Force Base (Lockbourne Air Force Base)	Columbus	4,343
Wright-Patterson Air Force Base	Dayton	8,147
Youngstown Municipal Airport	Vienna	667
Oklahoma:		
Army: Sill, Fort	Lawton	128,583
Navy: Naval Ammunition Depot	McAlester	44,964
Air Force:		
Altus Air Force Base	Altus	3,369
Oklahoma City Air Force Station	Midwest City	99
Tinker Air Force Base [4]	Oklahoma City	4,203
Vance Air Force Base [4]	Enid	3,062
Oregon:		
Navy: Naval facility	Coos Head	179
Air Force:		
Keno Air Force Station	Keno	292
North Bend Air Force Station [2]	North Bend	65
Portland International Airport [4]	Portland	403
Pennsylvania:		
Army:		
Carlisle Barracks	Carlisle	441
Letterkenny Army Depot	Chambersburg	19,511
New Cumberland Army Depot	New Cumberland	881
Defense Personnel Support Center	Philadelphia	86
Tobyhanna Army Depot	Tobyhanna	1,292
Navy:		
Naval Publications and Forms Center	Philadelphia	Tenant
Naval Air Development Center	Warminster	830
Naval Air Facility	do	Tenant
Naval Air Station	Willow Grove	843
Naval Aviation Supply Office	Philadelphia	134
Naval Hospital	do	49
Naval Support Activity	do	473
Naval Ships Parts Control Center	Mechanicsburg	826
Philadelphia Naval Shipyard	Philadelphia	1,065
Air Force:		
Greater Pittsburgh Airport	Coraopolis	346
Rhode Island:		
Navy:		
Naval Communications Station	Newport	0
Naval Schools Command	do	23
Naval Underwater Systems Center	do	357
South Carolina:		
Army: Jackson, Fort	Columbia	52,599
Navy:		
Marine Corps Air Station	Beaufort	6,671
Marine Corps Recruit Depot	Parris Island	8,079
Charleston Naval Shipyard	Charleston	2,013
Naval Hospital	do	24
Do	Beaufort	127
Naval Station	Charleston	1,092
Naval Supply Center	do	195
Naval Weapons Station	do	16,345
Navy Fleet Ballistic Missile Submarine Training Center	do	7
Polaris Missile Facility Atlantic	do	Tenant
Air Force:		
Charleston Air Force Base	do	3,864
Myrtle Beach Air Force Base	Myrtle Beach	4,022
North Charleston Air Force Station	North Charleston	77
Shaw Air Force Base	Sumter	3,271
South Dakota:		
Air Force: Ellsworth Air Force Base [2 4]	Rapid City	5,791
Tennessee:		
Army:		
Memphis Defense Depot	Memphis	642
Navy:		
Naval Air Station	do	3,499
Naval Hospital	do	39
Naval Technical Training Command	do	Tenant
Air Force: Arnold Engineering Development Center	Tullahoma	39,876
Texas:		
Army:		
Bliss, Fort	El Paso	1,125,519
Hood, Fort	Killeen	217,850
Houston, Fort Sam	San Antonio	3,048
Red River Army Depot	Texarkana	19,626

See footnotes at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
Texas—Continued		
Navy:		
Naval Air Station	Corpus Christi	4,641
Do	Dallas	963
Do	Kingsville	5,582
Do	Beeville	9,639
Naval Air Station, Chase Field	Corpus Christi	66
Naval Hospital		
Air Force:		
Bergstrom Air Force Base	Austin	3,830
Brooks Air Force Base [2]	San Antonio	1,353
Carswell Air Force Base	Fort Worth	2,751
Dyess Air Force Base	Abilene	6,070
Goodfellow Air Force Base	San Angelo	1,119
Kelly Air Force Base	San Antonio	4,530
Lackland Air Force Base [4]	do	6,828
Laughlin Air Force Base [4]	Del Rio	4,474
Randolph Air Force Base [3]	San Antonio	3,494
Reese Air Force Base [3 4]	Lubbock	3,515
Sheppard Air Force Base	Wichita Falls	5,082
Webb Air Force Base [4]	Big Spring	2,578
Utah:		
Army:		
Dugway Proving Ground	Dugway	840,911
Ogden Defense Depot	Ogden	1,622
Tooele Army Depot	Tooele	15,364
Air Force: Hill Air Force Base [1]	Ogden	8,590
Vermont:		
Air Force: St. Albans Air Force Station	St. Albans	135
Virginia:		
Army:		
Belvoir, Fort	Alexandria	9,287
Eustis, Fort	Newport News	8,306
Lee, Fort	Petersburg	5,868
Monroe, Fort	Hampton	1,069
Defense General Supply Center	Richmond	647
Vint Hills Farm Station	Warrenton	721
Cameron Station	Alexandria	188
Myer, Fort	Arlington	364
Navy:		
Fleet Combat Direction Systems Training Center, Dam Neck	Virginia Beach	1,036
Atlantic Command Operations Support Facility	Norfolk	94
Marine Corps Air Station	Quantico	310
Marine Corps Development and Education Command	do	61,940
Naval Administrative Command, Armed Forces Staff College	Norfolk	30
Naval Air Station	do	3,201
Naval Alt Station, Oceana	Virginia Beach	8,779
Naval Weapons Station, St. Juliens Creek Annex	St. Juliens Creek	Tenant
Naval Amphibious Base, Little Creek	Norfolk	9,245
Naval Communications Station	do	5,921
Naval Hospital	Portsmouth	114
Do	Quantico	50
Naval Weapons Laboratory	Dahlgren	4,319
Naval Weapons Station	Yorktown	11,452
Norfolk Naval Shipyard	Portsmouth	806
Naval Air Rework Facility	Norfolk	Tenant
Naval Supply Center	do	1,285
Naval Station	do	1,437
Public Works Center	do	878
Naval Auxiliary Landing Field, Fentress	Virginia Beach	93
Naval Degaussing Station	Norfolk	Tenant
Air Force:		
Cape Charles Air Force Station	Kiptopeke	254
Fort Lee Air Force Station	Petersburg	43
Langley Air Force Base [2]	Hampton	4,070
Washington:		
Army:		
Lewis, Fort	Tacoma	86,758
Yakima Firing Center	Yakima	263,131
Navy:		
Polaris Missile Facility, Pacific	Bremerton	Tenant
Naval Support Activity	Seattle	586
Naval Air Station, Whidbey Island	Oak Harbor	70,000
Naval Facility	Pacific Beach	53
Naval Hospital	Bremerton	25
Naval Supply Center, Puget Sound	Bremerton	452
Naval Torpedo Station	Keyport	11,087
Puget Sound Naval Shipyard	Bremerton	2,041

See footnotes at end of table.

PRINCIPAL MILITARY INSTALLATIONS OR ACTIVITIES IN THE 50 STATES*—Continued

State and military department and name of installation or activity	Nearest city or location	Total acres
WASHINGTON—Continued		
Air Force:		
Blaine Air Force Station [2]	Blaine	89
Makah Air Force Station [2]	Neah Bay	253
McChord Air Force Base	Tacoma	4,616
Mica Peak Air Force Station	Mica	71
Wisconsin:		
Air Force: Antigo Air Force Station	Antigo	6
Wyoming:		
Air Force: Francis E. Warren Air Force Base	Cheyenne	5,866

* Excludes those installations and activities announced for closure, disestablishment, or reduced to Reserve status or inactivated.
[1] Range and test.
[2] Housing.
[3] Auxiliary fields.
[4] Training annex.

SEPARATE VIEWS OF KEITH G. SEBELIUS

The basic concept of payments in lieu of taxes as embodied in Section 3 of H.R. 9719 is one with which I cannot quarrel. I do believe, however, that there are certain specific and major aspects of this bill which are very questionable in terms of basic justification, and more particularly, in terms of actual application and dollar cost. It does not appear that either the propriety or amount of dollar payments which would occur under this bill have been well reasoned and fully analyzed and articulated in all cases.

This is to say that the bill is not properly fine-tuned so as to assure that our tax dollars are not unnecessarily squandered to the benefit of undeserving recipients. Many features of this bill were adopted without the benefit of knowing accurately projected figures as to the costs entailed.

Accordingly, I feel that some aspects of this bill represent a very questionable and unwarranted raid on the Federal treasury, adding indefensibly to our colossal and growing Federal deficit, and imposing a further and unfair financial burden on the present and future taxpayers of this country. There are definite elements of irresponsible legislating in this bill.

As the Ranking Minority Member of the Subcommittee on National Parks and Recreation, I feel particularly compelled to take issue with the application of this bill to units of the National Park System. The bill, in effect, calls for payments to be made for lands within the National Park System for two different purposes. Section 3 provides for a direct payment in lieu of taxes as a compensation to local taxing authorities for lands that are acquired for park purposes and are in the process of being taken off the tax rolls. This provision represents an interim compensation to help make adjustment for loss of income from the tax rolls, and to temporarily bridge the gap over a five year period until other compensating monetary benefits begin to flow into the local communities as a consequence of increased tourist travel resulting from park establishment. The estimated total cost of this provision, for all national park system lands authorized to date for acquisition and yet to be acquired, is $48,538,291. This figure will rise, of course, as further new lands are authorized by the Congress for

acquisition and taken off local tax rolls. I have no great difficulty with this provision, as I believe it represents an equitable solution to the very problem the bill purports to resolve.

Now, there is a second part of this bill, Sections 1 and 2, which I believe represent a grossly indefensible and irresponsible raid upon the Federal treasury, particularly as it applies to the National Park System. These sections, in addition to the payments made for National Park System lands under Section 3, would automatically pay local governments at the rate of 75¢/acre (subject to modification by a population factor) for all National Park System lands falling within their jurisdiction. This would be an annual and perpetual payment—to go on forever without end! The costs for this provision, estimated by the National Park Service, would amount to a drain on the Federal treasury of about $15,000,000—every year—forever!

There is absolutely no logic or justification for this provision. Most of the land within the National Park System has always been Federally owned and has never been taken off the tax rolls in the first place so as to thereby disenfranchise local governments.

There is no logical rationale for these annual $15,000,000-a-year, never-ending payments to be made purely on the basis of existing acreage of a park unit. Such a payment in no way necessarily correlates with needs of the area in terms of the park's adverse (if any) impact upon local adjacent communities or governments. As a matter of fact, history is amply clear, almost categorically, that the existence of a park creates a magnetic attraction for visitation, which in turn brings increased income for business and the economy from tourists, and also usually greatly heightens adjacent land values so as to result in increased tax revenues flowing from the increased values of those lands. Over the long (and often the short) term after park establishment, adjacent communities reap more in monetary gain than they lose from tax base loss (if any) or from any other impacts. An automatic, never-ending annual payment here, under Sections 1 and 2 of the bill, is an indefensible proposition, and is, I believe, not in any way justified in terms of application to the National Park System.

Now it should be pointed out that, quite different from most other Federally owned lands, the National Park Service has very thorough management jurisdiction over its lands. Nearly all of the costs for operation and maintenance of services and facilities is borne by the Federal government in the form of funds appropriated to the National Park Service. Unlike the case on most other Federal lands, very seldom is money drawn from local government sources for expenditure within the Federal park boundaries.

In summary, units of the National Park System more than pay their way in sharing the burden of financing facilities and services as a result of their existence amongst local communities and governments, and in enhancing the economic well-being of the region. There is no need to grant further annual, never-ending subsidies into the millions of dollars for the benefits of local governments which are really not burdened by park presence. As to needs for temporary compensation for the removal of lands from the tax rolls, Section 3 of the bill is designed to equitably satisfy this situation, Sections 1 and 2, as they apply to the National Park System, should not be incorporated in this legislation.

KEITH G. SEBELIUS.

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94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1212

PROVIDING FOR THE CONSIDERATION OF H.R. 9719

JUNE 3, 1976.—Referred to the House Calendar and ordered to be printed

Mr. SISK, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 1254]

The Committee on Rules, having had under consideration House Resolution 1254, by a nonrecord vote, report the same to the House with the recommendation that the Resolution do pass.

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Calendar No. 1197

94TH CONGRESS
2d Session

SENATE

REPORT
No. 94-1262

PROVIDING FOR PAYMENTS TO LOCAL GOVERNMENTS BASED UPON THE AMOUNT OF CERTAIN PUBLIC LANDS WITHIN THE BOUNDARIES OF EACH SUCH GOVERNMENT

SEPTEMBER 20, 1976.—Ordered to be printed

Mr. HASKELL, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H.R. 9719]

The Committee on Interior and Insular Affairs, to which was referred the act, H.R. 9719, to provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality, having considered the same, reports favorably thereon with an amendment to the text and an amendment to the title and recommends that the act, as amended, do pass.

The amendments are as follows:

1. Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That (a) effective for the fiscal year beginning on October 1, 1976, and thereafter as provided in subsection (a) of section 7 of this Act, the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in subsection (a) of section 6 of this Act) are located. Such payments may be used by such unit for any governmental purpose. The amount of such payments shall be computed as provided in this section.

(b) The amount of any payment made for any fiscal year to a unit of local government pursuant to subsection (a) of this section shall be equal to the greater of the following amounts—

(1) 75 cents for each acre of entitlement land located within the boundaries of such unit of local government, reduced (but not below 0) by the aggregate amount of payments, if any, received by such unit of local government during the preceding fiscal year under all of the provisions specified in section 4, or

(2) 10 cents for each acre of entitlement land located within the boundaries of such unit of local government.

The amount of payment determined under subsections (1) and (2) shall not exceed the population limitations set forth under subsection (d).

(c) In the case of any payment under a provision specified in section 4 which is received by a State, the Governor (or his delegate) shall submit to the Secretary a statement respecting the amount of such payment which is transferred to each unit of local government within the State.

(d)(1) In the case of any unit of local government having a population of less than five thousand, the population limitation applicable to such unit of local government shall not exceed an amount equal to $50 multiplied by the population within the jurisdiction of such unit of local government.

(2) In the case of any unit of local government having a population of five thousand or more, the population limitation applicable to such unit of local government shall not exceed the amount computed under the following table (using a population figure rounded off to the nearest thousand):

If population exceeds:	*Payment shall not exceed the amount computed by multiplying such population by—*
5,000	$50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	32.00
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

For the purpose of this computation no unit of local government shall be credited with a population greater than fifty thousand.

(e) For purposes of this section, "population" shall be determined on the same basis as resident population is determined by the Bureau of the Census, for general statistical purposes.

(f) In the case of a smaller unit of local government all or part of the lands under the jurisdiction of which is located within lands under the jurisdiction of another unit of local government, entitlement lands which are within the jurisdiction of both such units shall be treated for purposes of this section as only within the jurisdiction of such smaller unit.

SEC. 2. (a) In the case of any land or interest therein, acquired by the United States (i) for the Redwood National Park pursuant to the Act of October 2, 1968 (82 Stat. 931, 16 U.S.C. 79a) or (ii) acquired for addition to the National Park System, or to units of the National Wilderness Preservation System which are within the National Forest System, after December 31, 1970, which was subject to local real property taxes within the five years preceding such acquisition, the Secretary is authorized and directed to make payments to counties within the jurisdiction of which such land or interest therein is located, in addition to payments pursuant to section 1 of this Act. The counties, under guidelines established by the Secretary, shall distribute the payments on a proportional basis to those units of local government and affected school districts which have incurred losses of real property taxes due to the acquisition of lands or interests therein for addition to either such system. In those cases in which another unit of local government other than the county acts as the collecting and distributing agency for real property taxes, the payments shall be made to such unit of local government, which shall distribute such payments as provided in this subsection. The Secretary may prescribe regulations under which payments may be made to units of local government in any case in which the preceding provisions of this subsection will not carry out the purposes of this section.

(b) Payments authorized pursuant to subsection (a) of this section shall be made on a fiscal year basis beginning with the later of—

(1) the fiscal year beginning October 1, 1976, or

(2) the first full fiscal year beginning after the fiscal year in which such land or interest therein is acquired by the United States.

Such payments may be used by the affected unit of local government for any governmental purpose.

(c)(1) The amount of any payment made for any fiscal year to any unit of local government and affected school district under subsection (a) of this section shall be an amount equal to 1 per centum of the fair market value of such land or interest therein on the date on which acquired by the United States. If, after the date of enactment of legislation authorizing any unit of the National Park System or designating any unit of the National Wilderness Preservation System within the National Forest System as to which a payment is authorized pursuant to subsection (a) of this section, rezoning increases the value of the land or any interest therein, the fair market value for the purpose of such payment shall be computed as if such land had not been rezoned.

(2) Notwithstanding paragraph (1) of this subsection, the payment made for any fiscal year to a unit of local government under subsection (a) of this section shall not exceed the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to the National Park System or to a unit of the National Wilderness Preservation System within the National Forest System.

(d) No payment shall be made pursuant to this section with respect to any land or interest therein after the fifth full fiscal year beginning after the first fiscal year in which such a payment was made with respect to such land or interest therein.

SEC. 3. (a) Notwithstanding any other provision of law that revenues must be credited to a special account in the Treasury for appropriation for outdoor recreation functions, under such regulations as may be prescribed by the Secretary, payments may be made, as provided herein, in advance or otherwise, from any revenues received by the United States from visitors to Grand Canyon National Park to the appropriate school district or districts serving that park as reimbursement for educational facilities (including, where appropriate, transportation to and from school) furnished by the said district or districts to pupils who are dependents of persons engaged in the administration, operation, and maintenance of the park and living at or near the park upon real property of the United States not subject to taxation by the State or local agencies: Provided, That

the payments for any school year for the aforesaid purpose shall not exceed that part of the cost of operating and maintaining such facilities which the number of pupils in average daily attendance during that year at those schools bears to the whole number of pupils in average daily attendance during that year at those schools.

(b) If, in the opinion of the Secretary, the aforesaid educational facilities cannot be provided adequately and payment made therefor on a pro rata basis, as prescribed in subsection (a), the Secretary, in his discretion, may enter into cooperative agreements with States or local agencies for (1) the operation of school facilities, (2) the construction and expansion of local educational facilities at Federal expense, and (3) contributions by the Federal Government, on an equitable basis satisfactory to the Secretary, to cover the increased cost to local agencies for providing the educational services required for the purposes of this section.

SEC. 4. The provisions of law referred to in section 1 of this Act are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251, as amended; 16 U.S.C. 500);

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States" (36 Stat. 557);

(3) section 35 of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", commonly known as the "Mineral Lands Leasing Act" (41 Stat. 450, as amended; 30 U.S.C. 191);

(4) section 17 of the Federal Power Act (41 Stat. 1072, as amended; 16 U.S.C. 810);

(5) section 10 of the Taylor Grazing Act (48 Stat. 1273, as amended; 43 Stat. 315i);

(6) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 U.S.C. 1012);

(7) section 5 of the Act entitled "To safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes", approved June 22, 1948 (62 Stat. 570; 16 U.S.C. 577g);

(8) section 5 of the Act entitled "An Act to amend the Act of June 22, 1948 (62 Stat. 568) and for other purposes" approved June 22, 1956 (70 Stat. 366, as amended; 16 U.S.C. 577g–1);

(9) section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 U.S.C. 355); and

(10) section 3 of the Materials Disposal Act (61 Stat. 681, as amended; 30 U.S.C. 603).

SEC. 5. (a) No unit of local government which receives any payment with respect to any land under the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753), during any fiscal year shall be eligible to receive any payment pursuant to this Act for such fiscal year with respect to such land. Nothing in this Act shall be construed to apply to the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753).

(b) If the total payment by the Secretary to any unit of local government pursuant to sections 1 and 2 of this Act would be less than $100, such payment shall not be made.

(c) No payments shall be made to any unit of local government for any lands for which payments would otherwise be made pursuant to sections 1 and 2 of this Act if such lands were owned and/or administered by a State or unit of local government and exempt from the payment of real estate taxes at the time title to such lands is conveyed to the United States: *Provided, however,* That payments pursuant to section 1 of this Act shall be made on any such lands which are acquired by the United States by exchange.

SEC. 6. As used in sections 1 through 7 of this Act, the term—

(a) "entitlement lands" means lands—

(1) owned by the United States which are—

(A) within the National Park System, the National Forest System, including, but not limited to, lands described in section 2 of the Act referred to in paragraph (7) of section 4 of this Act (16 U.S.C. 577d) and section 1 of the Act referred to in paragraph (8) of section 4 of this Act (16 U.S.C. 577d–1);

(B) administered by the Secretary of the Interior through the Bureau of Land Management;

(C) dedicated to the use of water resource development projects of the United States;

(D) dredge disposal areas owned by the United States under the jurisdiction of the Army Corps of Engineers; and

(E) semiactive or inactive installations, not including industrial installations, retained by the Army for mobilization purposes and for support of reserve component training; and

(2) title to which is held—

(A) by the United States in trust for an Indian or Indian tribe;

(B) by an Indian or Indian tribe subject to a restriction by the United States against alienation; and

(C) by the United States and which are administered by the Secretary of the Interior through the Bureau of Indian Affairs for the provision of services and assistance to Indians and the administration of Indian affairs.

(b) "Secretary" means the Secretary of the Interior; and

(c) "unit of local government" means a country, parish, township, municipality, borough existing in the State of Alaska on the date of enactment of this Act, or other unit of government below the State which is a unit of general government as determined by the Secretary (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes). Such term also includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

SEC. 7. (a) To carry out the provisions of section 1 and 2 of this Act, there are authorized to be appropriated for each of the five full fiscal years after enactment of this Act, such sums as may be necessary: *Provided,* That, notwithstanding any other provision of this Act no funds may be made available except to the extent provided in advance in appropriation Acts. In the event the sums appropriated for any fiscal year to make payments pursuant to sections 1 and 2 of this Act are less than the amounts to which all units of local government are entitled under this Act, then the payment or payments to each of local government shall be proportionally reduced.

(b) The Secretary of the Treasury is directed to maintain hereafter in a special fund a sufficient portion of the revenues of the Grand Canyon National Park to meet the purpose of section 3 of this Act, based upon estimates to be submitted by the Secretary, and to expend the same upon certification by the Secretary.

SEC. 8. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by deleting ", because of the unavailability of adequate financing under any other subsection," and "new and expanded" from clause (i) of subparagraph (B) of section 308(b)(4) thereof.

2. Amend the title so as to read:

An Act to provide for payments to local governments based upon the amount of certain public lands within the boundaries of each such government, and for other purposes.

INTRODUCTION

On September 19, 1964, the President signed into law Public Law 88–606,[1] which established the Public Land Law Review Commission (PLLRC) to conduct a comprehensive review of the policies applicable to the use, management, and disposition of the Federal lands. After nearly six years of extensive investigations, the Commission completed its review and submitted its final report, entitled *One Third of the Nation's Land;*[2] to the President and Congress on June 20, 1970.

[1] 78 Stat. 982.

[2] Public Land Law Review Commission, *One Third of the Nation's Land: A Report to the President and the Congress by the Public Land Law Review Commission* (Washington, D.C.: 1970) (hereafter "PLLRC Report").

The report contains one-hundred and thirty-seven numbered, and several hundred unnumbered, recommendations designed to improve the Federal Government's custodianship of the Federal lands. Principal among these recommendations is the Commission's view that—

> The policy of large-scale disposal of public lands reflected by the majority of statutes in force today (should) be revised and * * * future disposal should be of only those lands that will achieve maximum benefit for the general public in non-Federal ownership, while retaining in Federal ownership those whose values must be preserved so that they may be used and enjoyed by all Americans.[3]

As a direct corollary of this recommendation, the Commission also recommended that, if the historic policy of disposal of the public lands is to be reversed and those lands are to be retained in Federal ownership, "it is the obligation of the United States to make certain that the burden of that policy is spread among all the people of the United States and is not borne only by those states and governments in whose area the lands are located. Therefore, the Federal Government should make payments to compensate state and local governments for the tax immunity of Federal lands."[4]

H.R. 9719, as reported, seeks to translate the basic principle of this PLLRC recommendation into law. Its purpose is to recognize the burden imposed by the tax immunity of Federal lands by providing minimum Federal payments to units of local government within the boundaries of which these lands lie. The Act establishes a formula for determining such payments which sets both a floor and a ceiling thereon. The formula is a relatively simply one which can be employed with a minimum of administrative costs.

Background

1. Defects in Existing Statutes Providing for the Sharing of Revenues and Fees from Public Lands with State and Local Governments

The Federal Government owns over 761 million acres of land within the United States, of which some 705 million acres remain from the original public domain and 56 million have been acquired from private or other public owners. These vast Federal landholdings comprise approximately one third of all the land in this country. Although the greatest portion of these lands is situated in the eleven coterminous Western states and Alaska, 40 states and approximately 1000 counties have federally owned, tax exempt land within their boundaries. In addition there are 50,949,661 acres of Indian trust land in 26 States—40,822,456 acres of lands title to which is held by the United States in trust for Indians and Indian tribes and 10,127,205 acres title to which is held by Indians or Indian tribes subject to a restriction by the United States against alienation. These lands are also exempt from State or local government taxation.

The impact on the potential tax revenues of State and local governments by the Federal Government's retention of public lands caused

[3] *Ibid.*, p. 1.
[4] Ibid, p. 236.

concern at an early date. By the Act of May 23, 1908,[5] the Congress authorized the return of 25 percent of stumpage sale receipts from forest reserves to the counties in which the timber was cut to be used for public education and roads. Since then numerous laws have been enacted providing States and local governments with a percentage of receipts and revenues paid to the Federal Government from activities on the Federal lands.[6] The most significant of these statutory provisions from the standpoint of the total revenues it provides to State and local governments is section 35 of the Mineral Lands Leasing Act which directed that the receipts generated by Federal oil and gas leases be shared with the States, giving the state or origin 37½ percent of the revenue and the Reclamation Fund 52½ percent, and permitting the United States to retain 10 percent to cover administrative costs.[7] Such payments could be used for "construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct".

In this Congress, the Senate has made numerous efforts to amend these statutory provisions to increase the amount of, and render more useful, the payments to State and local governments. The Federal Coal Leasing Amendments Act of 1975, which became law on August 4, 1976,[8] as a result of Congressional override of a Presidential veto, amended section 35 of the Mineral Lands Leasing Act to increase the States' share of revenues derived under the Act from 37½ percent to 50 percent. It also authorized the use of the additional 12½ percent not just for roads and schools but for "(1) planning, (2) construction and maintenance of public utilities, and (3) provision of public services" and required that priority for distribution of that 12½ percent be afforded the local governments which experience the social and economic impacts of the mineral development from which the revenues are derived. In addition, S. 2525, a bill to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, which passed the Senate on July 2, 1976, increases the non-Federal share of the fees from such Forest Service permits from 25 percent to 50 percent, pays that share directly to the affected local governments rather than the States, and widens its permissible use from solely construction of roads and schools to the same purposes provided in the Federal Coal Leasing Amendments Act of 1975. On August 25, 1976, the Senate passed S. 3091, the National Forest Management Act of 1976, which increases the non-Federal share of timber revenues from national forest lands payable to States for public schools and roads by, in effect, removing the set-off against those revenues of timber purchaser credits for construction of roads.

[5] 35 Stat. 251, as amended; 16 U.S.C. 500.
[6] The statutes of significance to H.R. 9719 are set forth in section 4 of the Act, as ordered reported. A breakdown of all programs and payments is contained in a 1968 study report to the Public Land Law Review Commission: EBS Management Consultants, Inc., *Revenue Sharing and Payments in Lieu of Taxes on the Public Lands*, Pt. 2, PLLRC Study Report (National Technical Information Service, U.S. Department of Commerce, Washington, D.C.: November 1979 (Revised)). A second listing in table form is found in Muys, Jerome C., "A View of the PLLRC Report's Recommendations Concerning Finances", 6 *Land and Water L. Rev.* 411, 420–425 (1970).
[7] Act of February 25, 1920 (41 Stat. 450, as amended through July 7, 1958; 30 U.S.C. 191 (1975 Supplement)).
[8] 90 Stat. 1083.

No reform of these statutory provisions, however, will cure the eight basic defects of this Federal lands revenue and fee sharing system:

(1) Payments under this system are made only for those lands which have revenue or permit fee generating activities occurring on them. As the revenues and fees to be shared are dependent on "production" activities, where those activities are non-existent or are minimal, payments to State and local governments will not occur or be *de minimus*. For example, in 1966, out of a total of 725 million acres of Federal lands as defined in section 10 of the PLLRC Act,[9] only 363 million acres, or about half, actually generated any revenues which were shared with State and local governments, even though provisions of law providing for the sharing of fees and revenues from public lands were applicable to many millions of acres more. Even when revenues and fees are generated, the various levels of production on different tracts of public lands result in a wide disparity in the per acre payments. The forest receipts returned to counties, for example, were as low as 1¢ an acre and averaged 48¢ an acre in the last fiscal year.

(2) Even once a level of production is established, State and local governments cannot budget public lands revenue and fee sharing funds with any degree of certainty, because management decisions of the various Federal land management agencies can often quite suddenly reduce or eliminate the revenue or fee generating activities on the public lands within those State or local governments' jurisdictions. In Pope County, Illinois, the National Forest occupies 40 percent of the land in the county. In 1975 a lower volume of timber cutting resulted in a 50 percent reduction from 1974 payments and as a result, the county had to discharge all its employees and inform the county officials that they could not be paid in the immediate future. Several timber producing states are now undergoing total or severe reductions in timber revenues as a result of the so-called Monongahela decision [10] and similar suits [11] which have placed severe restrictions on timber cutting practices in national forests. Of particular concern is the tendency of the amount of revenues and fees collected from public lands to fluctuate inversely to the needs of State and local governments for additional revenues. For example, the economic recession has placed severe strains on State and local governments' budgets; yet, at the same time, the recession reduced forest receipts by $30 million for fiscal year 1975.

(3) Certain Federal lands (i.e. the 24.8 million acres in the National Park System) are prohibited by law from supporting any of the activities which generate revenues or fees which are shared with State and local governments, and other lands may support only one or a few of those activities (i.e. the 12.4 million acres of the National Wilderness Preservation System which are within the National Forest System on which only grazing is permitted). These lands attract thousands of visitors each year, yet the intangible economic benefits to the local economy from tourist related activities in and adjacent to

[9] 78 Stat. 982, 985.
[10] *Izaak Walton Leage of America* v. *Butz*, (367 F.Supp. 422; 522 F.2d 1945 (4th Cir. 1975)).
[11] *Zieska* v. *Butz*, 406 F. Supp. 258 (D. Alaska 1975) and *Texas Committee on Natural Resources* v. *Butz*, Civil Action No. TY–76–268–CA, U.S. District Ct. for Eastern District of Texas, 1976.

these lands do not usually accrue to the local taxing authority. Income and sales taxes are sources of funds for the State treasury, yet the local governments are the entities which must provide for law enforcement, road maintenance, hospitals, and other services directly and indirectly related to the activities on these lands.

(4) The percentages of revenues and fees shared under the various provisions of law are not based on any rational criteria. As a result they vary from 5 to 90 percent, depending on the program and agency involved.

(5) Even in the few instances when a local government's share of the various revenues and fees is sufficient to meet service demands arising from the Federal lands and to approximate the loss of ad valorem tax revenues which would otherwise be generated by those lands, too many of the revenue sharing provisions restrict the use of funds to only a few governmental services—most often the construction and maintenance of roads and schools. Yet, local governments are called upon to provide many other services to the Federal lands or as a direct or indirect result of activities on the Federal lands. These services include law enforcement; search, rescue and emergency; public health; sewage disposal; library; hospital; recreation; and other general local government services. It is only the most fortunate of local governments which is able to juggle its budget to make use of those earmarked funds in a manner which will accurately correspond to its community's service and facility needs.

(6) Many of the revenue sharing provisions permit the States to make the decisions on how the funds will be distributed. In far too many States, the result has been that the funds are either kept at the State level and not distributed to local governments at all or are parcelled out in a manner which provides shares to local governments other than those in which the Federal lands are situated and where the impacts of the revenue and fee generating activities are felt.

(7) The existing revenue and fee sharing statutes suffer from an inherent tendency to invite unwise land management decisions. The Public Land Law Review Commission described this defect as follows: "(P)ressures can be generated to institute programs that will produce revenue, though such programs might be in conflict with good conservation-management practices".[12] Time and again, this Committee has experienced local government opposition to wilderness and park proposals, not on the merits of those proposals, but solely on the grounds of the loss of the governments' shares of revenues and fees from the Federal lands involved. The Committee has also received testimony on numerous occasions concerning the pressures experienced by the Federal land management agency professionals in the field to increase the level of production activities, sometimes at the expense of environmental protection and sustained yield goals.

(8) Most importantly, the total of funds received by most local governments under the Federal lands revenue and fee sharing statutes seldom approaches (i) the level of revenues which would be collected by ad valorum taxes were these lands private lands or (ii) the level of expenditures of the local governments to construct facilities and provide services required by activities on the Federal lands or by

[12] PLLRC Report, p. 237.

activities on private lands which have been generated by the Federal land activities. Concerning the equivalency of such payments to foregone tax revenues, for example, for fiscal year 1975, approximately $2.6 million in payments were returned to either the State of Colorado or its counties; but, by applying the 1974 average county mill levy to the approximate valuation of Federal landholdings in Colorado for the same year, a rough estimate of the tax revenues which the Federal lands would generate were they privately-owned can be made and is in excess of $50 million. Concerning the equivalency of such payments to expenditures:

In Minnesota, Itasca County's total acreage is nearly 27 percent National Forest. The average total payment from timber receipts for the past 10 years was approximately 9 cents per acre or about $27,000 per year. Yet, according to testimony from county officials the cost to the county for services provided to the national forest is $500,000 per year and continues to increase yearly.

In Lincoln County, Nevada, with a population of 3,500, the Federal government owns 98.12 percent of the county's 6,790,000 acres. This is an area larger than Connecticut, Delaware, Hawaii, Massachusetts, New Hampshire, New Jersey, Rhode Island, or Vermont, and is equal in size to the state of Maryland. Of this Federal land, 5,740,000 acres are BLM land, for which Lincoln County received only $7,682 in 1974.

Tax immunity is not by any means a problem for western states only. Twenty-one states east of the Mississippi River have national forest lands, 25 have Corps of Engineer projects, and 21 have national parks. Many eastern counties are hard hit by the tax immunity of these lands and the low level of existing payments. In Cocke County, Tennessee, for example, roughly 35 percent of the land is either in a national forest or within the Great Smokey Mountains National Park. For the 44,091 acres of national forest lands, the county received only $6,800 in fiscal 1975. It received nothing for the national park lands.

Local governments with small tax bases to work with are hard pressed to find new sources of revenues to fund services. At the House hearings, witnesses from the state of Utah pointed out that twelve of the 17 counties were now taxing property at the maximum rate allowable under the law. They have reached the limit in using the property tax to finance governmental services. For example, Lincoln County, Nevada, which, as noted above, has 6,790,000 acres or 98.12 percent of its land base owned by the Federal government must derive its $100,000 budget for expenditures from the other 2 percent of the land, with only 1.3 percent of this budget offset by Federal contributions. In Mineral County, Nevada, the Federal government owns 98.7 percent of the land. Even though Mineral County has a population of only 7,051 persons, it has a daily visitor/vehicle population of approximately 2,350 vehicles attracted by recreational opportunities on the Federal lands. These additional persons require services which place severe strain on the county's operating budget, a budget that must be paid for predominantly by the 7,051 inhabitants.

2. The Level of Payments Under H.R. 9719, as Reported

In considering this legislation to provide for a more equitable program to relieve local governments from the fiscal burden created by

the presence of Federal lands within their jurisdictions, the Committee was cognizant of the report and recommendations of the Public Land Law Review Commission.[13]

The Commission recommended establishment of a system to assess the public lands and provide payments to local governments based on the assessed value for property tax. The Commission believed, however, that there are certain economic benefits which accrue to local governments from the presence of these public lands and that those benefits should be quantified and payments reduced accordingly. Little guidance was offered as to how such benefits could be accurately measured.

The Commission's recommendation, moreover, was to replace the numerous existing statutes for sharing revenues and fees produced from Federal lands with one in lieu payment. The Committee agreed with the Commission that the present system of sharing revenues from public lands is inequitable and inadequate, but concluded that it was not feasible at this time to repeal these statutes and establish instead a single system based solely on tax equivalencey. Assessing all the public land, the Committee concluded, would be an expensive, cumbersome and lengthy process which could result in innumerable disputes and, perhaps most importantly, would necessitate creating an unnecessary bureaucracy.

Instead the Committee agreed on a formula based on a flat payment of 75 cents per acre to units of local government for "entitlement lands", deducting existing payments actually received by the local government under other statutes, nad based also on the population of the unit of local government.

The population factor will significantly reduce payments per acre for counties with large amounts of Federal land and a relatively small population. In Lincoln County, Nevada (with 98.12 percent of the land or 6,790,000 acres in Federal ownership), for example, based on its 1970 population of 2,557, payment under H.R. 9719 would be limited to $127,850 (since the population is under 5,000, the payment is computed by multiplying the population by $50). The population cap, therefore, would limit new payments to Lincoln County to less than 2 cents per acre.

H.R. 9719 also provides for a maximum of $1 million which can be received by any one unit of local government in any one year. The only local governments to receive $1 million under H.R. 9719 would be those counties with extremely large Federal land holdings and populations of 50,000 or more. Under this provision, Maricopa County, Arizona, for example, which has 2.4 million acres of entitlement land and a population of over 900,000 would receive $1 million or an additional 41 cents per acre over present payments.

The 75 cent figure is a ceiling under H.R. 9719, but would not affect those counties now receiving more than that under existing laws. Some entitlement lands which are not now eligible for payments under the various programs, such as national parks or Bureau of Reclamation reservoirs, would provide 75 cents per acre—subject to the population limitations—but, generally, payments would be significantly less than 75 cents per acre. Indeed, the average new payment under H.R. 9719, as passed the House, for the 375 million acres of lands outside of

[13] PLLRC Report, pp. 235–241.

Alaska for which payments would be made under that version of the measure would be approximately 32 cents per acre. (This average per acre cost is not expected to be significantly different in H.R. 9719, as reported. See "Cost" section of this report.)

At present, where timber production is high, some counties receive more than 75 cents per acre from forest receipts. The report submitted to the Committee by the Department of Agriculture stated that for fiscal year 1975 eight of 39 States received payments of more than 75 cents per acre. Furthermore, under the Coal Leasing Amendments Act of 1975 and with the expected rapid escalation in coal production in the Northern Great Plains region, a number of additional counties may soon receive mineral revenues in excess of the 75 cents an acre figure.

Even those counties which do receive more than 75¢ an acre seldom receive payments which either are equivalent to what could be received in ad valorum tax revenues on Federal lands were the lands taxable or remove fully the financial burden of providing services to those lands. Moreover, too many of these payments are restricted by statute to use for schools and roads at a time when demands for numerous other governmental services continue to increase—services and responsibilities not generally provided by local governments when the statutes were enacted. These services must be provided regardless of the distance and cost involved: school buses must travel in some cases over 100 miles round trip; expensive criminal trials must be conducted and crimes investigated; Federal pollution and sewage treatment standards must be met; and hospitals must be staffed for emergency and normal care.

For these reasons, H.R. 9719 includes an alternative of 10 cents per acre for counties not qualifying for the 75 cents per acre payment. The 10 cents an acre alternative, however, is not a minimum, since it also is subject to a limitation based on population; thus, where this alternative would apply, it still would provide less than 10 cents per acre in many cases. The payment formula contained in H.R. 9719 will afford all affected jurisdictions with some relief by providing additional payments over what they new receive. And while this formula does not provide an in lieu payment, it will at least bring these jurisdictions a step closer to tax equivalency.

3. Lands For Which Payments Will Be Made Under H.R. 9719, As Reported

The most serious problems of tax immunity exist for areas where there are large concentrations of public domain lands under the jurisdiction of the Bureau of Land Management and national forest lands under the jurisdiction of the Forest Service. It is these lands—approximately 657 million acres out of the 760 million acres of Federally owned lands—which produce most of the $750 million in revenues each year from mineral leasing fees, bonuses and receipts, timber sales, grazing fees, and the sale of other materials. Of this $750 million, approximately $250 million is now reutrned to the States and local governments under the variety of special revenue sharing statutes enacted over the years. These lands are lands for which payments would be made under H.R. 9719.

In addition to BLM and Forest Service lands, the lands within the National Parks System, National Forest Wilderness Areas, and lands

which are utilized as reservoirs as a part of water development projects under the Bureau of Reclamation and Army Corps of Engineers were also included as "entitlement lands" under H.R. 9719, as passed the House. The designation of lands as national parks and wilderness areas precludes any mineral or timber revenues, yet the tax immunity of these lands is no less of a burden for local jurisdictions than multiple-use national forest and BLM lands. States and local governments do not now receive any compensation for the tax immunity of these lands other than the unquantified and indirect benefits from visitors and tourists. In numerous hearings before the Committee local and State officials have testified to the increasing fiscal demands for governmental services in these areas. While the Committee does not discount the fact that some benefits accrue to localities where national parks, monuments and wilderness areas are located, the revenues produced for the local community do not match the burdens of providing additional police and fire protection, search and rescue service, medical and hospital facilities, and other governmental responsibilities required in and around these areas because of the influx of visitors.

Lands utilized as reservoirs as a part of water resource projects under the Corps of Engineers and the Bureau of Reclamation were included for similar reasons. These reservoir areas in many cases were once on the tax rolls. They also now receive heavy recreational use which in turn creates new demands for governmental services.

Although impact aid is provided for military lands, no assistance is available for Department of Army lands which are not presently in intensive use but are semi-active or inactive installations retained for mobilization purposes and for support of reserve component training. For this reason the Committee added these lands to the entitlement lands.

Finally, the Committee decided to add Indian lands to those lands for which payments will be made under H.R. 9719. These lands are also tax exempt; yet, the same activities—mineral development, timber production, grazing, skiing and other commercial outdoor recreation activities—which on public lands generate revenues and fees to be shared with State and governments do not raise revenues and fees for distribution when they occur on Indian lands. Furthermore, the Committee notes that, particularly in recent years, the tax exemption of Indian lands has been a controversial issue in many areas of the country—an issue which has had the tendency to increase tensions between Indians and non-Indians. By including Indian lands in H.R. 9719, the Committee hopes to mitigate the burdens on local governments of the tax exemption of those lands and thus reduce those tensions.

The Committee concluded that the scope of this legislation should be limited to the above described lands and not include other land within the jurisdiction of the Departments of the Interior, Agriculture, and Defense—e.g. national wildlife and game refuges and Bureau of Mines lands, Agricultural Research Service and Soil Conservation Service lands, and lands of the other armed services—or lands of other agencies—e.g. GSA, NASA, ERDA, or DOT lands. While there are certainly fiscal burdens associated with tax-exempt status of these other lands, they do not demand the same level of need for governmental services as those included within the scope of the legislation. Moreover, in the case of active military lands and wildlife and

game refuges, in lieu payments similar to that provided in H.R. 9719 already exist.[14]

Federal lands eligible for payments in lieu of taxes were designated "entitlement lands" in section 6 of the bill because they are believed to have the greatest impact on the fiscal health of units of local government and create the vast majority of the problems related to the tax immunity of Federal lands.[15]

A related problem of tax immunity arises when the Federal government acquires private lands for additions to the National Parks System and units of the National Wilderness Preservation System within the National Forest System. For example, when the private land is acquired for Cuyahoga Valley National Recreational Area, authorized by the 93d Congress,[16] one township will lose 26 percent of its property tax base.

To ease the impact of such Federal acquisitions, H.R. 9719 reduces the burden imposed by the sudden loss of this tax base by compensating units of local government for a five-year period at the rate of 1 percent of the fair market value of the acquired lands (or not to exceed the actual property taxes assessed and levied on the acquired lands during the last year before acquisition). This provision of the bill also would apply retroactively to January 1, 1971, as well as to lands acquired for the Redwood National Forest, which was created by a legislative taking in 1968.[17] This retroactive application involves a relatively insignificant amount of acreage acquired for the national forest wilderness areas. The total acquisition costs by the National Park Service from January 1, 1971, to December 31, 1975, totaled approximately $292 million. Since the acquisition program extends over many years and under the assumption that the current rate of acquisition will continue at $75 million annually, the cost of this provision for fiscal year 1977 would be $4.2 million, rising to $7.2 million by fiscal year 1981.

The intent of these payments is to equalize the fiscal burden caused by the acquisition of private lands for new parks and wilderness areas and to reduce the immediate and direct financial impact on the affected local jurisdiction. This burden is often cited as the most important source of opposition to the establishment of new parks where land, however valuable to our national heritage, is now on the tax rolls and producing revenue.

[14] The in lieu payments for refuge lands are provided pursuant to section 715s of the Migratory Bird Conservation Act (45 Stat. 1222, 16 U.S.C. 450, 463).

[15] Major Federal holdings not within the scope of H.R. 9719 are as follows (as of June 30, 1974):

Federal administering agency	*Acreage*
Fish and Wildlife Service	30, 811, 823. 1
Department of Defense	22, 934, 584. 8
Atomic Energy Commission	2, 105, 587. 8
Tennessee Valley Authority	924, 660. 2
Agricultural Research Service	400, 771. 8
Department of Transportation	200, 847. 1
National Aeronautics and Space Administration	137, 125. 9
Department of State	122, 062. 4
Federal Aviation Administration	59, 577. 5
Department of Commerce	55, 639. 9
National Oceanic Atmospheric Administration	51, 333. 9
Federal Railroad Administration	38, 034. 7
Department of Justice	27, 539. 0
Veterans' Administration	22, 082. 5
General Services Administration	16, 620. 7
Bonneville Power Administration	13, 349. 8

[16] 88 Stat. 1784.

[17] 82 Stat. 931.

4. The Recipients of H.R. 9719's Payments

Under existing programs for sharing public land revenues, the Federal government returns a percentage of revenues to the States, which are then distributed to State and local governments according to State law and the requirements of the Federal statutes. For example, while receipts from timber production and grazing on national forest lands are passed on to the counties, mineral leasing receipts are paid to the States for use for schools and roads. Some States pass on a percentage of mineral leasing receipts to counties and others do not.

H.R. 9719 requires that any payments under the ten statues set forth in section 4 which are actually received by a unit of local government are to be deducted from H.R. 9719's payments. In most cases only a small percentage of mineral leasing revenues produced within a county are returned to that county by the State. Accordingly, to preclude penalizing these counties, H.R. 9719 provides that only those monies actually received by the local government should be deducted.

Moreover, the Committee believes that payments under H.R. 9719 should go directly to units of local government since the local governments are the entities which assume the burden for the tax immunity of these lands. The Committee does not believe these new payments should be restricted or earmarked for use for specific purposes and the bill allows these payments to be used for any governmental purpose.

Where entitlement land is located in two jurisdictions concurrently—is within, for example, both a township and a county—the smaller unit of local government would be the recipient of the payments for entitlement land within its jurisdiction.

Section-by-Section Analysis

SECTION 1

Subsection (a) directs that, beginning October 1, 1976, and thereafter as provided in section 7(a) (which terminates the payments under sections 1 and 2 after five full fiscal years), the Secretary must make annual payments, on a fiscal year basis, to each unit of local government in which are located the public lands identified in section 4 (called "entitlement lands"). These payments may be used for any governmental purpose.

Subsection (b) establishes the payment formula. The formula provides for a maximum payment to any unit of local government under H.R. 9719 of 75 cents per acre of entitlement land within that unit's boundaries. This payment, however, is (i) reduced by any shares of revenue or fees from the public lands which are actually received by the unit of local government during the preceding fiscal year under any of the statutes set forth in section 4, and (ii) cannot exceed a ceiling based on the unit's population. If existing payments under the statutes set forth in section 4 exceed what the unit of local government would receive under the 75 cents per acre formula, there will be, instead, a payment under H.R. 9719 of 10 cents an acre, again subject to a ceiling based on population.

Subsection (d) provides the method and a table for computing the population ceiling. The table establishes a dollar per capita figure to be multiplied by the population total, rounded off to the nearest thous-

and. In the case of any unit of local government having a population of less than 5,000, the population limitation will be $50 times the population; and the per capita dollar figure reduces by steps as the population increases to $20.00 for a unit of local government having 50,000 residents. No unit of local government is to be credited with a population of greater than 50,000, thus establishing a maximum payment to any one unit of local government of $1 million.

Example 1

Three examples of how the formula works, using hypothetical counties with hypothetical statistics, follow:

Entitlement lands (acres):	
National forest land	200,000
BLM land	400,000
National park land	50,000
Total	650,000
Population	10,000
Present payments:	
Forest receipts	150,000
Grazing receipts	50,000
Total	200,000

First, the number of acres of entitlement land is multiplied times 75 cents an acre (650,000×.75=$487,500).

Next, existing payments are subtracted from the amount computed ($487,500−$200,000=$287,000).

Third, the population ceiling is computed in accordance with the table in subsection (c). As the population is 10,000, the per person figure is $35. This figure is multiplied times the population figure (10,000×$35.00=$350,000).

Finally, the entitlement-minus-current-payments figure ($287,000) is compared to the population ceiling ($350,000) and the former becomes the payment figure unless it exceeds the latter. In this case it does not, so the payment figure is $287,000. The next example shows when the entitlement-minus-current payments figure does exceed the population ceiling.

Example 2

Entitlement lands (acres):	
National forest land	200,000
BLM land	400,000
National park land	50,000
Total	650,000
Population	5,000
Present payments:	
Forest receipts	150,000
Grazing receipts	50,000
Total	200,000

Entitlement figure: 650,000 acres×75¢ an acre=$487,500.

Entitlement-minus-current-payments-figure: $487,000−$200,000=$287,000.

Population ceiling: 5,000 people×table's per person figure of $50.00=$250,000.

Compare entitlement-minus-current payments-figure ($287,000) and populate ceiling ($250,000). The former exceeds the latter; however, as no payment can exceed the population ceiling, the payment will be the population ceiling ($250,000).

Example 3

Entitlement lands (acres):	
National forest land	200,000
BLM land	400,000
National park land	50,000
Total	650,000
Population	10,000
Present payments:	
Forest receipts	350,000
Grazing receipts	50,000
Total	400,000

Entitlement figure: 650,000 acres×75 cents an acre=$487,000.

Entitlement-minus-current-payments figure: 487,000−450,000=$37,000.

Population ceiling: 10,000 people×$35.00=$350,000.

Compare entitlement-minus-current-payments figure ($37,000) and population ceiling ($350,000). The former does not exceed the latter, so the former would be the payment ($37,000).

However, in this final example the straight 10 cents per acre alternative is better as under that alternative the local government would receive $65,000 (10 cents per acre×entitlement acreage: 650,000×0.10).

Subsection (c) directs each State to submit to the Secretary an accounting of what public land revenues are actually transferred to each unit of local government.

Subsection (e) states that, for the purpose of determining the population ceiling, population is to be computed on the same basis as resident population is determined by the Bureau of Census for general statistical purposes.

Subsection (f) addresses those situations where entitlement land is located within concurrent units of local government. For example, in some cases national park or other Federal land is located in both a county and a township. The smaller unit, the township is the unit of local government immediately burdened by the tax immunity of these lands. This provision insures that payments under the Act will go to the smaller unit of government when the entitlement lands are located within more than one unit concurrently.

SECTION 2

Subsection (a) provides for an additional payment to any local government for lands or interests therein within its boundaries which are added, after December 31, 1970, to the National Park System and units of the National Wilderness Preservation System within the National Forest System. (The payments are for 1 percent of fair market value for five years only. See subsections (b) and (c) below.)

Payments authorized by this subsection will be made to counties, with the counties responsible for distributing the payments on a proportional basis to those units of local government and affected school districts which have incurred losses of real property taxes due to the acquisition of these lands or interests by the Federal government. The Secretary would etablish guidelines for this distribution, but the basic determination would be left to the counties—and thus to local rather than Federal control. In those cases (as in New England) where counties do not act as the collecting and distributing agency for real property taxes, the payments would go to those units of local government who perform those services. Although the above two provisions will take care of most cases, there may be unique exceptions—such as where another unit of local government as well as the county collects taxes. In such instances, the Secretary is authorized to issue regulations to assure that the purpose of the subsection is fulfilled.

The Redwoods National Park is included in this subsection because of the unusual circumstances concerning its creation. This park was one of the few acquired by legislative taking where title passed from the former owners to the United States government on the date of enactment, October 2, 1968. These lands left the tax rolls on that date. Had the park been acquired by conventional authority, title of the land would not have immediately passed to the Federal government. Little if any of this land would have left the tax rolls for several years and the Redwood Park lands would have qualified under the January 1, 1971, acquisition date.

Subsection (b) and (d) provide that the payment would apply only for the first five years following the acquisition of such lands or interests or five years after enactment of H.R. 9719 for lands or interests acquired prior to enactment, but after December 31, 1970.

Subsection (c) provides that each payment shall be 1 percent of the fair market value of such lands or interests on the date of their acquisition by the United States. No assessment procedure is necessary since the fair market value is determined at the time of acquisition. If the land in question is rezoned after the Congress has authorized acquisition, and this increases the value, the original fair market value will be the figure used to determine the payment. Regardless of assessed value, any payment under subsection (a) cannot exceed the amount of property taxes assessed and levied on the property for the fiscal year preceding the fiscal year in which the property was acquired.

The purpose of section 3 is to provide payments to localities which lose taxes as a result of the acquisition of private lands or interests for national parks and national forest wilderness areas. Although the payments would not necessarily provide dollar-for-dollar tax equivalency to these localities, they would provide a measure of relief temporarily to permit those localities to adjust to the tax loss.

SECTION 3

Section 3 addresses an unusual and inequitable financial situation concerning the Grand Canyon School District of Arizona which is located wholely within the Grand Canyon National Park. The school district provides education to 273 students within the Park area. Only five students come from families who pay school taxes. The remainder

of the students come from families who live on federally-owned land and, therefore, do not pay property taxes.

The property tax rate in the school district is 8.77%, reflecting an increase of $1.20 per $100 assessed valuation over the last year. This rate is almost double the average state rate of 4.4%. The tax base of $4,596,000 is down almost $60,000 from the previous year. It is anticipated that the tax base will diminish in the future because of the removal of a railroad right-of-way held by the Atchison Topeka and Sante Fe Railroad.

Because of the lack of money, the school district cannot provide the type of education to its students that other comparable schools can offer. Furthermore, a recent study conducted by the Park Service indicates that the school population will increase to over 590, or more than double in the next five years.

This type of legislation has a precedent. A similar provision (62 Stat. 338) was enacted in 1948 covering Yellowstone National Park. The cost of this section is estimated at $390,000.

Subsection (a) authorizes the Secretary of the Interior to make payments out of revenues to Grand Canyon National Park to the appropriate school district serving that Park. Payments authorized are based on a formula of pupils who are dependents of persons engaged in the administration, operation and maintenance of the Park and are living at or near the Park upon real property of the United States not subject to taxation by state or local agencies versus the total number of pupils.

The Secretary is authorized to make direct payments to the school district or, alternatively, under subsection (b) is authorized to enter into cooperative agreements with the state or local agency for the operation of school facilities, construction and expansion of school facilities at federal expense, and the making of contributions on an equitable basis satisfactory to the Secretary to cover the cost of educational services.

SECTION 4

Section 4 sets forth certain public laws under which States and units of local government now receive a percentage of revenues from Federal lands. These payments would not be affected by H.R. 9719. However, the 75¢-an-acre payments made under section 1 of H.R. 9719 would be reduced by the amount of payments actually received by units of local government from these programs. These statutes cover timber receipts, mineral receipts, Federal power receipts, grazing receipts and materials sold from the Federal lands. The provisions of law referred to in this section are as follows:

(1) National Forest receipts, 16 U.S.C. 500, under which the Forest Service pays 25 percent of all monies realized from sales of national forest timber to the States for distribution to the counties. These funds are earmarked for the benefit of schools and roads within the county in which the forest is located.

(2) New Mexico and Arizona Enabling Act, 36 Stat. 557, requiring payment by BLM of 3 percent of national forest gross receipts from designated school lands located within national forests in Arizona and New Mexico to those States.

(3) Mineral Lands Leasing Act, 30 U.S.C. 191, under which BLM pays 37½ percent of all receipts from mineral leases on public domain lands, excluding national parks, to the States to be used by the States or the subdivisions thereof for the construction and maintenance of public roads or schools, as the legislature of the State may direct, and 12½ percent of all such receipts to be used for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services by the State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions socially or economically impacted by the mineral development.

(4) Section 17 of the Federal Power Act, 16 U.S.C. 810, providing that the FPC pay 37½ percent of the receipts from public lands used for power purposes to the States to be used in any manner designated.

(5) Section 10 of the Taylor Grazing Act, 43 U.S.C. 315i, providing for BLM payment of 12½ percent of fees received from grazing districts in a manner determined by the State legislature.

(6) Section 33 of the Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1012, under which BLM and the Forest Service pay 20–25 percent of the revenue received from lands acquired under title III of the Act to the counties in which the land is located to be used for school and road purposes.

(7) and (8) Superior National Forest receipts, 16 U.S.C. 577-(g) and 577(g)(1), which provide that the Forest Service pay three-fourths of 1 percent of the appraised value of specified lands within the Superior National Forest to the counties in which these lands are located, to be used for any governmental purpose.

(9) Section 6 of the Mineral Leasing Act for acquired lands, 30 U.S.C. 355, under which BLM makes payments equal to a percentage of products mined on all acquired land not covered by existing mineral leasing laws, excluding national parks and monuments, to either the States or counties depending on the applicable law, to be used in a manner determined by the applicable law.

(10) Section 3 of the Materials Disposal Act, 30 U.S.C. 603, providing for various means and levels of distribution of funds from revenues derived from disposal of sand, gravel, and other materials from public lands under the jurisdiction of various Federal agencies. It also varies the uses for which those funds can be spent depending on the public land involved.

SECTION 5

Subsection (a) exempts 18 "O and C" counties in western Oregon from H.R. 9719. Those counties now receive revenue from timber receipts under separate statutes, enacted in 1937 and 1939, which revested title to certain railroad lands in the Federal Government. As sections 1 through 7 of H.R. 9719 do not change any existing statutes but only provide new payments where existing programs are inadequate, and as the O and C lands timber receipts revenue sharing program is clearly adequate, section 5 would insure that no payments are made under H.R. 9719 for those lands.

So that administrative costs do not exceed payments, subsection (b) directs that no payment of less than $100 will be allowed under H.R. 9719.

Subsection (c) provides that no payments under H.R. 9719 are to be made for lands for which payments would otherwise be made if such lands have been acquired by the Federal Government from State or local governments and were exempt from real estate taxes when they were conveyed. A proviso insures that section 1 payments cannot be avoided by exchanging Federal land on which payments must be made for State or local land for which no payments would otherwise be necessary.

SECTION 6

This section contains definitions.

Subsection (a) defines "entitlement lands" for which payments would be made under section 1 of the Act. These lands, as provided in H.R. 9719 as passed the House, included: all lands within the National Park System; National Forest lands; wilderness areas under the jurisdiction of the Forest Service; lands administered by the Bureau of Land Management; and, lands utilized as reservoirs as a part of water resource development projects under the Army Corps of Engineers or Bureau of Reclamation. Those eligible water resource lands are reservoir areas and do not include lands devoted to other purposes such as drainage or irrigation ditches, pipelines and transmission lines.

During mark-up, the Committee added inactive and semi-active Department of Army lands for which no impact aid is given and Indian lands. There are three types of Indian lands: public land withdrawn to be managed by the Bureau of Indian Affairs for administrative purposes, tribal trust land (land title to which is owned by the United States in trust for Indians or Indian tribes), and private trust land (land title to which is owned by Indians or Indian tribes subject to a restriction against alienation).

The total acreage of these lands (excluding Alaska, Indian lands, and the inactive and semi-active Army lands) as of June 30, 1974, was as follows:

National park system lands	17, 813, 207. 3
National forest system lands (including wilderness)	166, 531, 647. 7
Bureau of Land Management lands	174, 645, 830. 7
Bureau of Reclamation	7, 532, 714. 7
Army Corps of Engineers	7, 748, 325. 8
Total entitlement lands (excluding Alaska)	374, 271, 726. 20

The total acreage of Indian lands as of June 30, 1975, was as follows:

BIA administration lands	895, 621. 04
Tribal trust lands	40, 822, 456. 46
Individual trust lands	10, 127, 204. 54
Total	51, 845, 282. 04

Subsection (b) defines "Secretary" to mean Secretary of the Interior.

Subsection (c) defines "unit of local government" to mean a county, parish, township, municipality, or other unit of government below the

State which is a unit of general government as determined by the Secretary on the basis of the same principles as the Bureau of Census uses for general statistical purpose. Only those boroughs in Alaska existing at the date of enactment of H.R. 9719 are included as units of local government eligible to receive payments. Since the total acreage of entitlement land within the boroughs is considerable, in all cases the payments received under this Act will be determined by the population limit of the boroughs, less existing payments. Units of local government include general purpose local governments as well as the governing units of the Commonwealth of Puetro Rico, Guam and the Virgin Islands.

SECTION 7

Subsection (a) authorizes the appropriation of such sums are necessary for each of the five full fiscal years after enactment. H.R. 9719, as passed the House, had a no-year-end authorization. However, the Committee adopted the "sunset provision" of the Senate counterpart bill (S. 3468). The termination of the program at the end of five full fiscal years will permit and, indeed force, the Executive Branch and the Congress to review carefully the program's benefit and defects at the end of the fourth fiscal year or the beginning of the fifth fiscal year.

Subsection (a) also contains a proviso stating that no funds may be made available except to the extent they are provided in advance in appropriations Acts. It also provides that when less than the full amount is appropriated, the payments to each unit of local government are reduced proportionately.

Subsection (b) authorizes the Secretary of the Treasury to maintain in a special account a sufficient proportion of the Grand Canyon National Park revenues to meet the requirements of section 3, based upon estimates to be submitted to the Secretary of the Interior, and to expend the revenues upon certification by the Secretary of Interior in accordance with section 3.

SECTION 8

This section amends the "Coastal Energy Impact Program" recently added to the Coastal Zone Management Act by P.L. 94–370.[18] This section does not provide any additional money either to the program or to any individual State nor does it modify any formula for distribution of impact assistance funds under the program. The amendment merely provides somewhat broader latitude for use of the program's formula grants by States and units of local government.

This section would make two deletions to the language of Section 308 (b) (4) (B) (i) of the Coastal Zone Management Act, as amended. The language deleted is "because of the unavailability of adequate financing under any other subsection" and "new or expanded".

The "Coastal Energy Impact Program" provides loans and formula grants to states which are impacted by the development of Outer Continental Shelf (OCS) energy resources. Distribution of such formula grants is based upon the number of acres leased on the OCS off the coast of a State, the new jobs created in a State due to new or ex-

[18] The Act of July 26, 1976 (90 Stat. 1013, 1019–1028).

panded OCS activity, and the amount of crude oil and natural gas produced from the OCS off the coast of a State and first landed in a coastal State. State and local governments which receive such formula grants may use the funds for repayment of loans under the loan portion of the energy impact program, for certain new or improved public facilities and services, and for the prevention or amelioration of certain losses of valuable environmental and recreational resources.

Both deletions in this section are concerned with the use of such formula grants by States and units of local government to provide new or improved public facilities and services. The first deletion removes the requirement that, before the grants may be used for such purpose, the governmental units must first borrow all the money the federal government will lend them for such purposes. The second deletion clarifies that formula grants may be used to provide public facilities and public services necessitated by ongoing as well as "new or expanded" OCS development.

The Committee believes the requirement that loans be exhausted before formula grants may be used is both unrealistic and unnecessary. The Committee further believes that States which presently support OCS development as well as those States which will support such development in the future should be allowed to use formula grants to provide public facilities and services necessitated by that development.

COMMITTEE AMENDMENT

The following changes were made by the Committee in H.R. 9719, as passed the House:

Added inactive and semi-active Department of Army lands and Indian lands to the bill's coverage (sec. 7(a)).

Removed the no-year-end authorization in favor of a 5 full fiscal year "sunset" provision (sec. 8(a)).

Permitted payments for acquired lands which were owned by State or local governments and were tax exempt at the time of their acquisition if such lands are acquired by exchange (sec. 5(c)).

Changed the formula for payments in section 1 so as to increase the amount of payments in less populous counties (sec. 1(b)).

Added section 3 concerning payments to the school district in Grand Canyon National Park (sec. 3 and sec. 7(b)).

Added section 8 amending section 308(b)(4)(B)(i) of the Coastal Zone Management Act of 1972, as amended (sec. 8).

Various technical and conforming changes.

These changes are discussed in the Section-by-Section Analysis portion of this report.

LEGISLATIVE HISTORY

Bills to provide a system of payments to compensate local governments for tax exempt Federal lands have been introduced in numerous Congresses.

H.R. 9719 was introuced in the House of Representatives by Representative Frank Evans on September 15, 1975. Hearings were conducted by the Subcommittee on Energy and the Environment of the House Interior Committee in Salt Lake City, Utah, and Reno, Ne-

vada, on October 24, 1975, and in Washington, D.C., on November 3 and 4, 1975. The House Interior Committee considered H.R. 9719 on March 16, 1975, and ordered it reported favorably, as amended, by voice vote on March 17, 1976. The House passed the measure on August 5, 1976, by a vote of 270 to 125.

The Senate counterpart bill, S. 3468, was introduced on May 20, 1976, by Senators Gary Hart and Floyd K. Haskell, both of Colorado. In addition the following bills referred to this Committee provide for a payment in lieu of taxes program: S. 1285 (Senators Humphrey, McGee, Mondale, McGovern, and Abourezk), S. 2471 (Senators Abourezk and McGee), S. 2926 (Senators Randolph, McGovern, Stafford, and McGee), and S. 3721 (Senators Chiles and Stone).

The Subcommittee on the Environment and Land Resources of this Committee held a hearing on H.R. 9719 and S. 3468 on August 27, 1976. The Committee considered, amended, and ordered reported H.R. 9719 on September 8, 1976.

The cost of H.R. 9719, as reported, could not be accurately determined as of the date of filing of this report. The committee amendments would result in changes in the payments as provided in the House-passed version of the proposal. These amendments altered the formula for computing the payment to each unit of local government, included Indian lands and semi-active and active Army installations in the lands for which payments would be made under section 1 of the measure, and required section 1 payments for tax-exempt State or local government lands acquired by exchange by the Federal Government.

The Committee has asked the Department of the Interior to recompute the cost based on the reported bill. The Department has informed the Committee that it can determine the maximum cost of the measure, as reported, but cannot provide an exact cost figure at this time—the reason being that the acquired, formerly publicly-owned, tax-exempt lands (for which payments would not be made) can only be determined by detailed search of the Federal land records. The Department is making its computations as though no Federal lands fit that category thus arriving at maximum cost figures.

The Committee expects to receive the estimated cost figures from the Department within the week and the Chairman will insert the estimate in the Congressional Record as soon as it becomes available.

Set out below is the Congressional Budget Office report provided for H.R. 9719, as reported by the Committee on Interior and Insular Affairs of the House of Representatives. The cost of the Senate Interior Committee version may be expected to be somewhat greater.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

MAY 3, 1976.

1. Bill No.: H.R. 9719.

2. Bill title: Payments in Lieu of Taxes.

3. Purpose of bill: This legislation is designed to reduce the loss of local governments' revenues due to the existence of non-taxable federal lands within their jurisdictions. Specifically, payments are authorized to local governments in which certain federal lands are located. The federal lands which entitle a local government to payment are those of the National Park or Wilderness System, the National Forest Service, the Bureau of Land Management, the Bureau of Reclamation, and certain water resource lands of the Corps of Engineers. This is an authorization bill that requires subsequent appropriation action.

4. Cost estimate: This bill authorizes to be appropriated such sums as may be necessary to carry out the provisions of the Act. Payments are to be made on a fiscal year basis and thus there will be no difference between budget authority and outlays. Based primarily on a county-by-county application of a payment formula, the expected costs of this bill are presented below.

[Millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Authorization level	117	118	118	119	120
Costs	117	118	118	119	120

5. Basis of estimate: As explained below, there are two kinds of payments to local governments authorized by this bill.

The first payment type is determined by a population formula, but is subject to an overall limitation. Specifically, a local government receives the greater of:

1. 75¢ per acre of entitlement land less the aggregate amount of payments received by that local government from the National Forest System, from mineral leasing receipts, or from any of several smaller sources of funds.
2. 10¢ per acre of entitlement land.

The overall payment limitations range from $50 per person in local jurisdictions with a population of 5,000 or less to $20 per person in those with a population of 50,000 or more. No local government, however, may receive more than $1 million. Applying the above formula on a county-by-county basis, including all entitlement lands except those of the Corps of Engineers, results in annual payments of $107.5 million. At the present time, the eligible lands of the Corps of Engineers are not aggregated by county. Therefore, the formula could not be applied to the Corps 7.0 million acres. This analysis has assumed the maximum possible payment of 75¢ per acre for these lands. The resulting $5.25 million in cost assumes that no population payment limits are reached and that no local government with Corps' land received any deductible payments.

This bill authorizes a second type of payment. When the United States has acquired land subject to local property taxes for the National Park or Wilderness System, annual payments are to be made to the county for five years at a rate of one percent of the property's fair market value. This payment is limited to an amount equal to the taxes paid on the land previously and only applies to land acquired since 1970. From January 1, 1971 to December 31, 1975, the National Park

Service spent $292 million on land acquisition. Based upon this experience, $75 million is the projected annual expenditure for land acquisition from 1976 through 1981. Given this assumption, the annual payment will be $4.2 million in FY 1977 and rise to $7.2 million by FY 1981.

6. Estimate comparison: The Department of the Interior has estimated the yearly costs of H.R. 9719 at $118.2 million. While Interior's projected costs are very similar to those in this analysis, some differences exist between the two estimates. For example, in applying the payment formula to counties, Interior included a $1 million payment to Alaska's unorganized burrough which was intentionally excluded in this analysis (this exclusion was based on the Committee's intent to exclude this area). Additionally, Interior did not include Corps of Engineers' land in their estimate. Finally, Interior assumed that the National Park Service would complete its $970 million land acquisition program immediately. With the one percent of fair market value formula, this assumption results in projected 1977–1981 payments of $9.7 million annually. Given current appropriation levels, however, this analysis assumes that the Park Service is unable to complete their acquisition program in this time frame. The annual expenditure for land acquisition assumed here is the $75 million level presently in effect. The offsetting difference of not including the Corps of Engineers land, but accelerating the National Park Service's program makes the Interior Department's estimate approximate the estimate specified above.

7. Previous CBO estimate: none.

8. Estimate prepared by Leo J. Corbett (225–5275).

9. Estimate approved by C. G. Nuckols, (For James L. Blum, Assistant Director for Budget Analysis).

Committee Recommendation

The Committee on Interior and Insular Affairs, in open business session on September 8, 1976, by a unanimous voice vote of a quorum present recommended that the Senate pass H.R. 9719, if amended as described herein.

Executive Communications

The reports of the Federal agencies to the Committee concerning H.R. 9719 are set worth as follows:

U.S. Department of the Interior,
Washington, D.C., August 26, 1976.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This responds to your request for the views of this Department on H.R. 9719, as passed by the House, a bill "To provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality," and S. 3468, a bill "To provide for certain payments to be made by the Secretary of the Interior to

local governments based on the amount of certain public lands within their boundaries, and for other purposes."

We are strongly opposed to the enactment of both bills.

Under section 1 of both bills, the Secretary of the Interior is directed to make annual payments in lieu of taxes to each unit of local government in which there are certain Federally-owned lands. The amount of each such payment to each county is to be computed by a formula under section 2. Payment to the county shall be equal to the greater amount arrived at under one of two alternatives: (A) multiply the number of Federal acres in the unit of local government by 75 cents, but not to exceed a limitation based on population, and subtract the amount of revenue payments received by the local government under any of the Federal statutes listed in section 4 of the bill; or (B) multiply the number of Feedral acres by 10 cents, subject to the limitation for population.

Section 3 provides for an additional payment by the Secretary of one percent of the fair market value of lands added to the National Park Service and Wilderness Preservation Systems. This payment would apply prospectively for the first five years following acquisition of the lands in both bills and for the first five years after enactment of H.R. 9719 for lands acquired prior to enactment but after December 31, 1970 (or October 2, 1968 in the case of Redwood National Park) in H.R. 9719.

Under both H.R. 9719 and S. 3468 entitlement lands include those: in the National Park System; the Wilderness Preservation System; the National Forest System; and those administered by the Bureau of Land Management. H.R. 9719 further includes lands dedicated to the use of water resource development projects in the U.S.; and dredge disposal areas under the jurisdiction of the U.S. Army's Corps of Engineers.

H.R. 9719 would exclude from payments those lands which were owned and administered by a State or local government and exempt from the payment of real estate taxes at the time title to such lands was conveyed to the United States.

On April 28, 1976, this Department transmitted to the House Committee on Interior and Insular Affairs a breakdown of payments by unit of local government under section 1 of H.R. 9719, as well as a calculation of section 3 payments under that bill. The response was coordinated among the Bureau of Land Management, the Bureau of Reclamation, the National Park Service, and the Department of Agriculture's U.S. Forest Service, and our payment calculations were based upon all the Federal lands administered by these agencies in the 50 States and two U.S. territories. The response did not include those lands administered by the U.S. Army's Corps of Engineers. The section 1 first year payments under H.R. 9719, excluding the Corps, were estimated to be approximately $108 million, (although revised estimates now indicate that all payments, including those for the Corps of Engineers, may come closer to $106 million). Under section 3 of H.R. 9719, one percent of total land acquisition costs for the National Park Service, including NPS wilderness areas, was estimated at approximately $9,707,658 or $48,538,291 over five years. We have not estimated costs under S. 3468.

We recognize, as did the Public Land Law Commission, that the present systems used to share receipts from Federal lands are not uniform, may be inequitable, and have other shortcomings. However, we recommend against the enactment of both bills, because we believe that before meaningful and equitable improvements can be made in the present systems used to share receipts from Federal lands, a comprehensive study would have to be made to assure that changes which are beneficial to some State and local governments do not create even more serious inequities for other State and local governments or for the Federal government. At the present time, no adequate comprehensive study has been completed on this highly complex issue and no useful recommendations or consideration of alternatives have been made.

The potential ramifications of this legislation are very broad. Gross inequities could result from using an arbitrary formula of subsidies totally unrelated to problems of the counties entitled to deceive these funds. The possibility exists under these bills some counties would gain windfalls, and other counties might be underpaid where the need may be more acute to have financial assistance. Among the States, principal beneficiaries of tax moneys collected for the benefit of all the people of the United States will be Alaska, Arizona, California, Idaho, Colorado, Montana, Nevada, Utah, Wyoming, and New Mexico.

Any figure used for calculation of payment to a unit of local government is arbitrary unless based upon a procedure that calculates not only the tax revenue lost by the Federal holding, but the benefits gained by Federal ownership, which can be of considerable value to a community. We are not aware of any comprehensive analysis or rationale that produces a 75 cent or 10 cent payment based on acreage, or a regulation of payments by a sliding scale based on population.

At present, there are many provisions of law which provide for either the sharing of receipts generated from Federal lands or for Federal payments to States and local governments affected by certain Federal land management programs. Two important changes have recently been made in these payments. The Coastal Zone Management Act Amendments of 1976 (90 Stat. 1013), provides for significant Federal assistance to those State and local governments impacted by energy development in coastal regions. The Federal Coal Leasing Amendments Act of 1975 (90 Stat. 1083), increased the State share of public domain mineral leasing receipts from 37½ percent to 50 percent, and to 100 percent for Alaska.

In addition, there is existing law which provides for in-lieu payments to States for lands acquired by the Federal government. For example, section 2 of the Act of September 30, 1950, as amended (20 U.S.C. 236, 237) provides for payments by the Department of Health, Education, and Welfare to local educational agencies for Federal lands acquired in their school districts since 1938. During our consideration of the impact of these two bills, this program was one which we identified. There may be more.

There are also many programs of Federal grants-in-aid or direct Federal assistance to local governments for community development and land use, and for commercial, housing and environmental development, available to States and localities from, among others, HUD, HEW, EPA and the Departments of Commerce and Agriculture.

No analysis has been conducted as to what extent payments under these two bills would be used by counties for the same purposes as existing Federal assistance is now being used and would thus over lap.

The bills would result in complex problems of administration. For example, the Secretary of Interior would be required to make payments for lands administered by other agencies which would increase the complexity of administration, despite a high degree of coordination.

Under most of the Acts listed in section 4 there is nothing that requires a State to redistribute moneys received under those Acts. Therefore, the State could retain those funds and the counties would then be entitled to the full 75 cents an acre subject only to population limitation.

Further, for a period of five years, many local governments will receive a dual payment under both sections 1 and 3 for newly acquired park service lands. We see no justification for this double payment.

In our judgment, H.R. 9719 and S. 3468 represent an arbitrary solution that would not mitigate any inequities or complexities in the present system used to share Federal lands receipts with State and local governments. Rather, this legislation would increase existing problems and exacerbate inequities.

The Office of Management and Budget advises that there is no obligation to the presentation of this report and that enactment of H.R. 9719 or S. 3468 would not be in accord with the President's program.

Sincerely yours,

THOMAS S. KLEPPE,
Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 27, 1976.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate.

DEAR MR. CHAIRMAN: As you requested, here is our report on H.R. 9719, an act "To provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality" and S. 3468, a bill "To provide for certain payments to be made by the Secretary of the Interior to local governments based on the amount of certain public lands within their boundaries, and for other purposes."

The Department of Agriculture strongly recommends that neither H.R. 9719 nor S. 3468 be enacted.

H.R. 9719 and S. 3468 would direct the Secretary of the Interior to make certain payments to units of local government having Federal "entitlement lands" within their jurisdictions. Both H.R. 9719 and S. 3468 would designate all land within the National Forest System as entitlement land. The payments would be based upon a formula which takes into account Federal acreage and population; they could be used for any governmental purpose; and they would be in addition to other payments made under existing law. Both H.R. 9719 and S. 3468 would authorize the appropriation of such sums as might be

needed to carry out their provisions. The H.R. 9719 authorization would be of indefinite duration while the S. 3468 authorization would expire at the end of fiscal year 1980.

The Department of Agriculture recognizes, as did the Public Land Law Review Commission, that the present systems used to share receipts from Federal lands are not uniform and have other shortcomings. We support equitable payments to State and local governments that recognize both local services which benefit Federal lands and any adverse impacts of Federal lands on local governments. However, in our judgment, meaningful and equitable improvements will require comprehensive studies and actions to assure that changes which are beneficial to some State and local governments do not create even more serious inequities for other State and local governments or for the Federal Government. Any equitable approach must recognize and take into account both the tangible and intangible benefits that State and local government receive from Federal lands within their boundaries.

On November 14, 1975, the Forest Service entered into an agreement with the Advisory Commission on Intergovernmental Relations for an 18-month study of payments to State and local governments from National Forest System receipts. The Commission was established by the Act of September 24, 1959 (73 Stat. 703, as amended; 42 U.S.C. 4271), and its responsibilities include making studies and investigations necessary or desirable to recommend the most desirable allocation of revenue among the several levels of government. We recognize that a study of Federal payments to States dealing with only the National Forest System should probably be supplemented by studies dealing with other Federal lands and real property.

At present, there are more than a dozen provisions of law which provide for either the sharing of receipts from Federal lands or for Federal payments to States and local governments affected by certain Federal land management programs. Two important changes have been made in these payments during the last month. The Coastal Zone Management Act Amendments of 1976 (90 Stat. 1013), provide for significant Federal assistance to those State and local governments impacted by energy development in coastal regions. The Federal Coal Leasing Amendments Act of 1975 (90 Stat. 1083), effectively increased the State share of public domain mineral leasing receipts from 37½ percent to 50 percent.

In our judgment, H.R. 9719 and S. 3468 represent an arbitrary, piecemeal approach that would increase, rather than reduce, the inequities and complexities that characterize the present systems used to share Federal lands receipts with State and local governments. We have several concerns about the practical effects of this legislation which are are expressed in the enclosed supplemental statement.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of H.R. 9719 or S. 3468 would not be in accord with the President's program.

Sincerely,

JOHN A. KNEBEL,
Under Secretary.

Enclosure.

USDA SUPPLEMENTAL STATEMENT, H.R. 9719 AND S. 3468

H.R. 9719 and S. 3468 would direct the Secretary of the Interior to make payments to units of local government in which Federal "entitlement lands" are located. Eligible local governments would receive the greater amount of (1) 75 cents for each acre of entitlement land less certain other Federal payments during the preceding year, or (2) 10 cents for each acre of entitlement land. The payments would be limited by a sliding scale ranging from $50 per capita for units of local government with a population of 5,000 or less to $20 per capita for units of local government with a population of 50,000 or more. The maximum annual payment to any unit of local government would be $1 million, since no unit would be credited with a population of more than 50,000. In addition, the Federal Government would annually pay 1 percent of the fair market value of lands acquired for national parks and wildernesses during each of the 5 years following acquisition.

All lands within the National Forest System would be entitlement lands under H.R. 9719 and S. 3468, and we have the following concerns about the legislation.

One of our overall concerns is the arbitrary nature of the proposed payment formula. We are not aware of any comprehensive analysis or rationale that leads to a 75-cent or 10-cent payment based on acreage. The regulation of payments via a $50-to-$20 per capita sliding scale also lacks a visible basis.

The proposed payment formula would accentuate the payment-per-acre differences that now exist among units of local government that have National Forest System lands within their jurisdictions. Subject to per capita limitations, the formula would have the following effects. Each eligible unit of local government that received a total of 64 cents or less per entitlement acre from certain specified Federal land payments during the preceding fiscal year would be compensated to the extent necessary to bring its annual payment up to 75 cents per entitlement acre. Each eligible unit of local government that received a total of 65 cents or more per entitlement acre from certain specified Federal land payments during the preceding fiscal year would receive an additional 10 cents per entitlement acre. Thus, every unit of eligible local government would be assured of annually receiving at least 75 cents per entitlement acre, while those receiving more than 75 cents from other Federal land payment sources would annually receive an extra 10 cents per entitilement acre.

Under the 75-cent alternative in section 2(a)(1), the payment would be reduced "by the aggregate amount of payments, if any, received by such unit of local government during the preceding year under all of the provisions specified in section 4." One of the specified provisions is the Act of May 23, 1908 (35 Stat. 251; 16 U.S.C. 500), which provides that 25 percent of all moneys received during any fiscal year from each National Forest shall be paid to the State in which the National Forest is located "to be expended as the State legislature may prescribe *for the benefit of* (emphasis added) the public schools and public roads of the county or counties in which the national forest is situated." Thus, States are not required to make direct cash pay-

ments of shared National Forest revenues to the counties. If the funds expended "for the benefit of" local governments were not properly reported and deducted under section 2, some unwarranted overpayments could result under H.R. 9719 and S. 3468.

We understand the 10-cent alternative was included to provide at least some additional payment to each eligible unit of local government that could be used for any governmental purpose. Most existing laws requiring the sharing of Federal land revenues also require that States and local governments use the shared revenues for schools and roads. If the Congress feels use requirements are too stringent, we believe the existing laws should be examined rather than create a new payment that it partially designed to avoid the use requirements attached to other payments.

Mutually beneficial land exchanges among Federal, State, and local governments are based upon equal value rather than equal acreage. Since the payments under H.R. 9719 and S. 3468 would be based upon entitlement acreage, the legislation would discourage exchanges which would reduce entitlement acreage.

Federal land exchanges with State and local government would be further confounded by section 6(a)(4) of H.R. 9719. That section would exclude from the entitlement land category any lands that were owned and/or administered by a State or local unit of government and exempt from the payment of real estate taxes at the time title to such lands was conveyed to the United States. Although we agree with the general principle that the Federal Government should not make in-lieu-of-tax payments for lands that were not being taxed at the time they were acquired, the application of section 6(a)(4) would create many questions and problems. For example, some units of local government receive State in-lieu-of-tax payments for State lands within their jurisdictions. It is not clear whether these payments would be considered to be "real estate taxes" under section 6(a)(4). If they were not treated as real estate taxes, any State lands which became Federal lands through exchange would not be included in the payment calculation under section 2 of H.R. 9719. Units of local government would be understandably reluctant to participate in or agree to land exchanges that would reduce local revenues.

Section 6(a)(4) would also create an enormous and expensive administrative task. Before any payments could be made, each Federal land management agency would be required to search all of its land records to eliminate any lands from the entitlement land category that were acquired from State and local governments and exempt from real estate taxes.

We recognize that a tax shock can result for units of local government whenever the Congress creates a large new Federal area. We believe there are special cases in which the Federal Government should make reasonable temporary payments that take into account the extent of the Federal impact and local needs. However, we question the advisability of establishing an across-the-board payment system like the one in section 3 of H.R. 9719 and S. 3468. More specifically, we recommend that such a provision not apply to lands acquired within National Forest wildernesses. Of 12.7 million acres of National Forest wildernesses, about 509,000 acres (4 percent) are in private or other non-

Federal ownership. Only 4,600 acres have been acquired within National Forest wildernesses since June 30, 1970. Although the overall Federal financial impact of section 3 would be relatively small if applied to the National Forest System, it would set a serious precedent that could be applied to all Federal land purchases within the National Forest System.

There appears to be a lack of consistency between section 3(a) and section 6(a)(4) of H.R. 9719. The special additional payment under section 3(a) would apply to any Federally acquired land, regardless of previous ownership, if that land had been subject to local real property taxes for 5 years before acquisition. Meanwhile, the payment under section 2 would not apply to State or local government lands that were exempt from real estate at the time of Federal acquisition.

Enactment of H.R. 9719 or S. 3468 would substantially reduce Federal revenues from the National Forest System and thus contribute to the Federal deficit. If this legislation had been enacted in 1975, payments to units of local government, as a result of entitlement lands within the National Forest System, would have increased by $60 million (from $89 million to about $149 million). The amount of the additional Federal payment under H.R. 9719 and S. 3468 would fluctuate annually, increasing during the year following a year when Federal land receipts decreased, and decreasing during the year following a year when Federal land receipts increased.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., August 26, 1976

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of August 23, 1976, for the views of the Office of Management and Budget on S. 3468, a bill "To provide for certain payments to be made by the Secretary of the Interior to local governments based on the amount of certain public lands within their boundaries, and for other purposes."

The Administration strongly opposes this legislation. The payments authorized under S. 3468 would be arbitrary and bear no relationship to whatever impact Federal ownership of lands may have on local jurisdictions.

The Office of Management and Budget concurs in the views of the Departments of Agriculture and the Interior in their reports on S. 3468. The agencies' reports provide a detailed analysis of the bill and a discussion of the Administration's objections to it. Enactment of S. 3468 would not be in accord with the program of the President.

Sincerely yours,

JAMES M. FREY,
Assistant Director for Legislative Reference.

Changes in Existing Law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the Act, H.R. 9719, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets and existing law in which no change is proposed is shown in roman):

Section 308(b)(4) of the Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended by the Act of July 26, 1976, (90 Stat. 1013, 1022):

(4) Each coastal state shall use the proceeds of grants received by it under this subsection for the following purposes (except that priority shall be given to the use of such proceeds for the purpose set forth in subparagraph (A)):

(A) The retirement of state and local bonds, if any, which are guaranteed under subsection (d)(2); except that, if the amount of such grants is insufficient to retire both state and local bonds, priority shall be given to retiring local bonds.

(B) The study of, planning for, development of, and the carrying out of projects and programs in such state which are—

(i) necessary[, because of the unavailability of adequate financing under any other subsection,] to provide new or improved public facilities and public services which are required as a direct result of [new or expanded] outer Continental Shelf energy activity; and

(ii) of a type approved by the Secretary as eligible for grants under this paragraph, except that the Secretary may not disapprove any project or program for highways and secondary roads, docks, navigation aids, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care.

(C) The prevention, reduction, or amelioration of any unavoidable loss in such state's coastal zone of any valuable environmental or recreational resource if such loss results from coastal energy activity.

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THE WHITE HOUSE
WASHINGTON

September 29, 1976

MR. PRESIDENT:

Concerning Payments in lieu of Taxes, OMB did not have time to prepare a paper; however, they will have it tomorrow morning. In the meantime, they sent the Committee report.

JACK

Calendar No. 1197

94TH CONGRESS
2d Session

SENATE

REPORT
No. 94-1262

PROVIDING FOR PAYMENTS TO LOCAL GOVERNMENTS BASED UPON THE AMOUNT OF CERTAIN PUBLIC LANDS WITHIN THE BOUNDARIES OF EACH SUCH GOVERNMENT

SEPTEMBER 20, 1976.—Ordered to be printed

Mr. HASKELL, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H.R. 9719]

The Committee on Interior and Insular Affairs, to which was referred the act, H.R. 9719, to provide for certain payments to be made to State or local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such State or locality, having considered the same, reports favorably thereon with an amendment to the text and an amendment to the title and recommends that the act, as amended, do pass.

The amendments are as follows:

1. Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That (a) effective for the fiscal year beginning on October 1, 1976, and thereafter as provided in subsection (a) of section 7 of this Act, the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in subsection (a) of section 6 of this Act) are located. Such payments may be used by such unit for any governmental purpose. The amount of such payments shall be computed as provided in this section.

(b) The amount of any payment made for any fiscal year to a unit of local government pursuant to subsection (a) of this section shall be equal to the greater of the following amounts—

(1) 75 cents for each acre of entitlement land located within the boundaries of such unit of local government, reduced (but not below 0) by the aggregate amount of payments, if any, received by such unit of local government during the preceding fiscal year under all of the provisions specified in section 4, or

(2) 10 cents for each acre of entitlement land located within the boundaries of such unit of local government.

The amount of payment determined under subsections (1) and (2) shall not exceed the population limitations set forth under subsection (d).

(c) In the case of any payment under a provision specified in section 4 which is received by a State, the Governor (or his delegate) shall submit to the Secretary a statement respecting the amount of such payment which is transferred to each unit of local government within the State.

(d)(1) In the case of any unit of local government having a population of less than five thousand, the population limitation applicable to such unit of local government shall not exceed an amount equal to $50 multiplied by the population within the jurisdiction of such unit of local government.

(2) In the case of any unit of local government having a population of five thousand or more, the population limitation applicable to such unit of local government shall not exceed the amount computed under the following table (using a population figure rounded off to the nearest thousand):

If population exceeds:	*Payment shall not exceed the amount computed by multiplying such population by—*
5,000	$50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	32.00
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

For the purpose of this computation no unit of local government shall be credited with a population greater than fifty thousand.

(e) For purposes of this section, "population" shall be determined on the same basis as resident population is determined by the Bureau of the Census, for general statistical purposes.

(f) In the case of a smaller unit of local government all or part of the lands under the jurisdiction of which is located within lands under the jurisdiction of another unit of local government, entitlement lands which are within the jurisdiction of both such units shall be treated for purposes of this section as only within the jurisdiction of such smaller unit.

SEC. 2. (a) In the case of any land or interest therein, acquired by the United States (i) for the Redwood National Park pursuant to the Act of October 2, 1968 (82 Stat. 931, 16 U.S.C. 79a) or (ii) acquired for addition to the National Park System, or to units of the National Wilderness Preservation System which are within the National Forest System, after December 31, 1970, which was subject to local real property taxes within the five years preceding such acquisition, the Secretary is authorized and directed to make payments to counties within the jurisdiction of which such land or interest therein is located, in addition to payments pursuant to section 1 of this Act. The counties, under guidelines established by the Secretary, shall distribute the payments on a proportional basis to those units of local government and affected school districts which have incurred losses of real property taxes due to the acquisition of lands or interests therein for addition to either such system. In those cases in which another unit of local government other than the county acts as the collecting and distributing agency for real property taxes, the payments shall be made to such unit of local government, which shall distribute such payments as provided in this subsection. The Secretary may prescribe regulations under which payments may be made to units of local government in any case in which the preceding provisions of this subsection will not carry out the purposes of this section.

(b) Payments authorized pursuant to subsection (a) of this section shall be made on a fiscal year basis beginning with the later of—

(1) the fiscal year beginning October 1, 1976, or

(2) the first full fiscal year beginning after the fiscal year in which such land or interest therein is acquired by the United States.

Such payments may be used by the affected unit of local government for any governmental purpose.

(c)(1) The amount of any payment made for any fiscal year to any unit of local government and affected school district under subsection (a) of this section shall be an amount equal to 1 per centum of the fair market value of such land or interest therein on the date on which acquired by the United States. If, after the date of enactment of legislation authorizing any unit of the National Park System or designating any unit of the National Wilderness Preservation System within the National Forest System as to which a payment is authorized pursuant to subsection (a) of this section, rezoning increases the value of the land or any interest therein, the fair market value for the purpose of such payment shall be computed as if such land had not been rezoned.

(2) Notwithstanding paragraph (1) of this subsection, the payment made for any fiscal year to a unit of local government under subsection (a) of this section shall not exceed the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to the National Park System or to a unit of the National Wilderness Preservation System within the National Forest System.

(d) No payment shall be made pursuant to this section with respect to any land or interest therein after the fifth full fiscal year beginning after the first fiscal year in which such a payment was made with respect to such land or interest therein.

SEC. 3. (a) Notwithstanding any other provision of law that revenues must be credited to a special account in the Treasury for appropriation for outdoor recreation functions, under such regulations as may be prescribed by the Secretary, payments may be made, as provided herein, in advance or otherwise, from any revenues received by the United States from visitors to Grand Canyon National Park to the appropriate school district or districts serving that park as reimbursement for educational facilities (including, where appropriate, transportation to and from school) furnished by the said district or districts to pupils who are dependents of persons engaged in the administration, operation, and maintenance of the park and living at or near the park upon real property of the United States not subject to taxation by the State or local agencies: Provided, That

the payments for any school year for the aforesaid purpose shall not exceed that part of the cost of operating and maintaining such facilities which the number of pupils in average daily attendance during that year at those schools bears to the whole number of pupils in average daily attendance during that year at those schools.

(b) If, in the opinion of the Secretary, the aforesaid educational facilities cannot be provided adequately and payment made therefor on a pro rata basis, as prescribed in subsection (a), the Secretary, in his discretion, may enter into cooperative agreements with States or local agencies for (1) the operation of school facilities, (2) the construction and expansion of local educational facilities at Federal expense, and (3) contributions by the Federal Government, on an equitable basis satisfactory to the Secretary, to cover the increased cost to local agencies for providing the educational services required for the purposes of this section.

SEC. 4. The provisions of law referred to in section 1 of this Act are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251, as amended; 16 U.S.C. 500);

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States" (36 Stat. 557);

(3) section 35 of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", commonly known as the "Mineral Lands Leasing Act" (41 Stat. 450, as amended; 30 U.S.C. 191);

(4) section 17 of the Federal Power Act (41 Stat. 1072, as amended; 16 U.S.C. 810);

(5) section 10 of the Taylor Grazing Act (48 Stat. 1273, as amended; 43 Stat. 315i);

(6) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 U.S.C. 1012);

(7) section 5 of the Act entitled "To safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes", approved June 22, 1948 (62 Stat. 570; 16 U.S.C. 577g);

(8) section 5 of the Act entitled "An Act to amend the Act of June 22, 1948 (62 Stat. 568) and for other purposes" approved June 22, 1956 (70 Stat. 366, as amended; 16 U.S.C. 577g–1);

(9) section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 U.S.C. 355); and

(10) section 3 of the Materials Disposal Act (61 Stat. 681, as amended; 30 U.S.C. 603).

SEC. 5. (a) No unit of local government which receives any payment with respect to any land under the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753), during any fiscal year shall be eligible to receive any payment pursuant to this Act for such fiscal year with respect to such land. Nothing in this Act shall be construed to apply to the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753).

(b) If the total payment by the Secretary to any unit of local government pursuant to sections 1 and 2 of this Act would be less than $100, such payment shall not be made.

(c) No payments shall be made to any unit of local government for any lands for which payments would otherwise be made pursuant to sections 1 and 2 of this Act if such lands were owned and/or administered by a State or unit of local government and exempt from the payment of real estate taxes at the time title to such lands is conveyed to the United States: *Provided, however,* That payments pursuant to section 1 of this Act shall be made on any such lands which are acquired by the United States by exchange.

SEC. 6. As used in sections 1 through 7 of this Act, the term—

(a) "entitlement lands" means lands—

(1) owned by the United States which are—

(A) within the National Park System, the National Forest System, including, but not limited to, lands described in section 2 of the Act referred to in paragraph (7) of section 4 of this Act (16 U.S.C. 577d) and section 1 of the Act referred to in paragraph (8) of section 4 of this Act (16 U.S.C. 577d–1);

(B) administered by the Secretary of the Interior through the Bureau of Land Management;

(C) dedicated to the use of water resource development projects of the United States;

(D) dredge disposal areas owned by the United States under the jurisdiction of the Army Corps of Engineers; and

(E) semiactive or inactive installations, not including industrial installations, retained by the Army for mobilization purposes and for support of reserve component training; and

(2) title to which is held—

(A) by the United States in trust for an Indian or Indian tribe;

(B) by an Indian or Indian tribe subject to a restriction by the United States against alienation; and

(C) by the United States and which are administered by the Secretary of the Interior through the Bureau of Indian Affairs for the provision of services and assistance to Indians and the administration of Indian affairs.

(b) "Secretary" means the Secretary of the Interior; and

(c) "unit of local government" means a country, parish, township, municipality, borough existing in the State of Alaska on the date of enactment of this Act, or other unit of government below the State which is a unit of general government as determined by the Secretary (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes). Such term also includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

SEC. 7. (a) To carry out the provisions of section 1 and 2 of this Act, there are authorized to be appropriated for each of the five full fiscal years after enactment of this Act, such sums as may be necessary: *Provided,* That, notwithstanding any other provision of this Act no funds may be made available except to the extent provided in advance in appropriation Acts. In the event the sums appropriated for any fiscal year to make payments pursuant to sections 1 and 2 of this Act are less than the amounts to which all units of local government are entitled under this Act, then the payment or payments to each of local government shall be proportionally reduced.

(b) The Secretary of the Treasury is directed to maintain hereafter in a special fund a sufficient portion of the revenues of the Grand Canyon National Park to meet the purpose of section 3 of this Act, based upon estimates to be submitted by the Secretary, and to expend the same upon certification by the Secretary.

SEC. 8. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by deleting ", because of the unavailability of adequate financing under any other subsection," and "new and expanded" from clause (i) of subparagraph (B) of section 308(b)(4) thereof.

2. Amend the title so as to read:

An Act to provide for payments to local governments based upon the amount of certain public lands within the boundaries of each such government, and for other purposes.

INTRODUCTION

On September 19, 1964, the President signed into law Public Law 88–606,[1] which established the Public Land Law Review Commission (PLLRC) to conduct a comprehensive review of the policies applicable to the use, management, and disposition of the Federal lands. After nearly six years of extensive investigations, the Commission completed its review and submitted its final report, entitled *One Third of the Nation's Land,*[2] to the President and Congress on June 20, 1970.

[1] 78 Stat. 982.

[2] Public Land Law Review Commission, *One Third of the Nation's Land: A Report to the President and the Congress by the Public Land Law Review Commission* (Washington, D.C.: 1970) (hereafter "PLLRC Report").

The report contains one-hundred and thirty-seven numbered, and several hundred unnumbered, recommendations designed to improve the Federal Government's custodianship of the Federal lands. Principal among these recommendations is the Commission's view that—

> The policy of large-scale disposal of public lands reflected by the majority of statutes in force today (should) be revised and * * * future disposal should be of only those lands that will achieve maximum benefit for the general public in non-Federal ownership, while retaining in Federal ownership those whose values must be preserved so that they may be used and enjoyed by all Americans.[3]

As a direct corollary of this recommendation, the Commission also recommended that, if the historic policy of disposal of the public lands is to be reversed and those lands are to be retained in Federal ownership, "it is the obligation of the United States to make certain that the burden of that policy is spread among all the people of the United States and is not borne only by those states and governments in whose area the lands are located. Therefore, the Federal Government should make payments to compensate state and local governments for the tax immunity of Federal lands." [4]

H.R. 9719, as reported, seeks to translate the basic principle of this PLLRC recommendation into law. Its purpose is to recognize the burden imposed by the tax immunity of Federal lands by providing minimum Federal payments to units of local government within the boundaries of which these lands lie. The Act establishes a formula for determining such payments which sets both a floor and a ceiling thereon. The formula is a relatively simply one which can be employed with a minimum of administrative costs.

Background

1. Defects in Existing Statutes Providing for the Sharing of Revenues and Fees from Public Lands with State and Local Governments

The Federal Government owns over 761 million acres of land within the United States, of which some 705 million acres remain from the original public domain and 56 million have been acquired from private or other public owners. These vast Federal landholdings comprise approximately one third of all the land in this country. Although the greatest portion of these lands is situated in the eleven coterminous Western states and Alaska, 40 states and approximately 1000 counties have federally owned, tax exempt land within their boundaries. In addition there are 50,949,661 acres of Indian trust land in 26 States—40,822,456 acres of lands title to which is held by the United States in trust for Indians and Indian tribes and 10,127,205 acres title to which is held by Indians or Indian tribes subject to a restriction by the United States against alienation. These lands are also exempt from State or local government taxation.

The impact on the potential tax revenues of State and local governments by the Federal Government's retention of public lands caused

[3] *Ibid.*, p. 1.
[4] Ibid, p. 236.

concern at an early date. By the Act of May 23, 1908,[5] the Congress authorized the return of 25 percent of stumpage sale receipts from forest reserves to the counties in which the timber was cut to be used for public education and roads. Since then numerous laws have been enacted providing States and local governments with a percentage of receipts and revenues paid to the Federal Government from activities on the Federal lands.[6] The most significant of these statutory provisions from the standpoint of the total revenues it provides to State and local governments is section 35 of the Mineral Lands Leasing Act which directed that the receipts generated by Federal oil and gas leases be shared with the States, giving the state or origin 37½ percent of the revenue and the Reclamation Fund 52½ percent, and permitting the United States to retain 10 percent to cover administrative costs.[7] Such payments could be used for "construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct".

In this Congress, the Senate has made numerous efforts to amend these statutory provisions to increase the amount of, and render more useful, the payments to State and local governments. The Federal Coal Leasing Amendments Act of 1975, which became law on August 4, 1976,[8] as a result of Congressional override of a Presidential veto, amended section 35 of the Mineral Lands Leasing Act to increase the States' share of revenues derived under the Act from 37½ percent to 50 percent. It also authorized the use of the additional 12½ percent not just for roads and schools but for "(1) planning, (2) construction and maintenance of public utilities, and (3) provision of public services" and required that priority for distribution of that 12½ percent be afforded the local governments which experience the social and economic impacts of the mineral development from which the revenues are derived. In addition, S. 2525, a bill to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, which passed the Senate on July 2, 1976, increases the non-Federal share of the fees from such Forest Service permits from 25 percent to 50 percent, pays that share directly to the affected local governments rather than the States, and widens its permissible use from solely construction of roads and schools to the same purposes provided in the Federal Coal Leasing Amendments Act of 1975. On August 25, 1976, the Senate passed S. 3091, the National Forest Management Act of 1976, which increases the non-Federal share of timber revenues from national forest lands payable to States for public schools and roads by, in effect, removing the set-off against those revenues of timber purchaser credits for construction of roads.

[5] 35 Stat. 251, as amended; 16 U.S.C. 500.
[6] The statutes of significance to H.R. 9719 are set forth in section 4 of the Act, as ordered reported. A breakdown of all programs and payments is contained in a 1968 study report to the Public Land Law Review Commission: EBS Management Consultants, Inc., *Revenue Sharing and Payments in Lieu of Taxes on the Public Lands*, Pt. 2, PLLRC Study Report (National Technical Information Service, U.S. Department of Commerce, Washington, D.C.: November 1979 (Revised)). A second listing in table form is found in Muys, Jerome C., "A View of the PLLRC Report's Recommendations Concerning Finances", 6 *Land and Water L. Rev.* 411, 420–425 (1970).
[7] Act of February 25, 1920 (41 Stat. 450, as amended through July 7, 1958; 30 U.S.C. 191 (1975 Supplement)).
[8] 90 Stat. 1083.

No reform of these statutory provisions, however, will cure the eight basic defects of this Federal lands revenue and fee sharing system:

(1) Payments under this system are made only for those lands which have revenue or permit fee generating activities occurring on them. As the revenues and fees to be shared are dependent on "production" activities, where those activities are non-existent or are minimal, payments to State and local governments will not occur or be *de minimus*. For example, in 1966, out of a total of 725 million acres of Federal lands as defined in section 10 of the PLLRC Act,[9] only 363 million acres, or about half, actually generated any revenues which were shared with State and local governments, even though provisions of law providing for the sharing of fees and revenues from public lands were applicable to many millions of acres more. Even when revenues and fees are generated, the various levels of production on different tracts of public lands result in a wide disparity in the per acre payments. The forest receipts returned to counties, for example, were as low as 1¢ an acre and averaged 48¢ an acre in the last fiscal year.

(2) Even once a level of production is established, State and local governments cannot budget public lands revenue and fee sharing funds with any degree of certainty, because management decisions of the various Federal land management agencies can often quite suddenly reduce or eliminate the revenue or fee generating activities on the public lands within those State or local governments' jurisdictions. In Pope County, Illinois, the National Forest occupies 40 percent of the land in the county. In 1975 a lower volume of timber cutting resulted in a 50 percent reduction from 1974 payments and as a result, the county had to discharge all its employees and inform the county officials that they could not be paid in the immediate future. Several timber producing states are now undergoing total or severe reductions in timber revenues as a result of the so-called Monongahela decision [10] and similar suits [11] which have placed severe restrictions on timber cutting practices in national forests. Of particular concern is the tendency of the amount of revenues and fees collected from public lands to fluctuate inversely to the needs of State and local governments for additional revenues. For example, the economic recession has placed severe strains on State and local governments' budgets; yet, at the same time, the recession reduced forest receipts by $30 million for fiscal year 1975.

(3) Certain Federal lands (i.e. the 24.8 million acres in the National Park System) are prohibited by law from supporting any of the activities which generate revenues or fees which are shared with State and local governments, and other lands may support only one or a few of those activities (i.e. the 12.4 million acres of the National Wilderness Preservation System which are within the National Forest System on which only grazing is permitted). These lands attract thousands of visitors each year, yet the intangible economic benefits to the local economy from tourist related activities in and adjacent to

[9] 78 Stat. 982, 985.

[10] *Izaak Walton Leage of America* v. *Butz*, (367 F.Supp. 422; 522 F.2d 1945 (4th Cir. 1975)).

[11] *Zieska* v. *Butz*, 406 F. Supp. 258 (D. Alaska 1975) and *Texas Committee on Natural Resources* v. *Butz*, Civil Action No. TY–76–268–CA, U.S. District Ct. for Eastern District of Texas, 1976.

these lands do not usually accrue to the local taxing authority. Income and sales taxes are sources of funds for the State treasury, yet the local governments are the entities which must provide for law enforcement, road maintenance, hospitals, and other services directly and indirectly related to the activities on these lands.

(4) The percentages of revenues and fees shared under the various provisions of law are not based on any rational criteria. As a result they vary from 5 to 90 percent, depending on the program and agency involved.

(5) Even in the few instances when a local government's share of the various revenues and fees is sufficient to meet service demands arising from the Federal lands and to approximate the loss of ad valorem tax revenues which would otherwise be generated by those lands, too many of the revenue sharing provisions restrict the use of funds to only a few governmental services—most often the construction and maintenance of roads and schools. Yet, local governments are called upon to provide many other services to the Federal lands or as a direct or indirect result of activities on the Federal lands. These services include law enforcement; search, rescue and emergency; public health; sewage disposal; library; hospital; recreation; and other general local government services. It is only the most fortunate of local governments which is able to juggle its budget to make use of those earmarked funds in a manner which will accurately correspond to its community's service and facility needs.

(6) Many of the revenue sharing provisions permit the States to make the decisions on how the funds will be distributed. In far too many States, the result has been that the funds are either kept at the State level and not distributed to local governments at all or are parcelled out in a manner which provides shares to local governments other than those in which the Federal lands are situated and where the impacts of the revenue and fee generating activities are felt.

(7) The existing revenue and fee sharing statutes suffer from an inherent tendency to invite unwise land management decisions. The Public Land Law Review Commission described this defect as follows: "(P)ressures can be generated to institute programs that will produce revenue, though such programs might be in conflict with good conservation-management practices".[12] Time and again, this Committee has experienced local government opposition to wilderness and park proposals, not on the merits of those proposals, but solely on the grounds of the loss of the governments' shares of revenues and fees from the Federal lands involved. The Committee has also received testimony on numerous occasions concerning the pressures experienced by the Federal land management agency professionals in the field to increase the level of production activities, sometimes at the expense of environmental protection and sustained yield goals.

(8) Most importantly, the total of funds received by most local governments under the Federal lands revenue and fee sharing statutes seldom approaches (i) the level of revenues which would be collected by ad valorum taxes were these lands private lands or (ii) the level of expenditures of the local governments to construct facilities and provide services required by activities on the Federal lands or by

[12] PLLRC Report, p. 237.

activities on private lands which have been generated by the Federal land activities. Concerning the equivalency of such payments to foregone tax revenues, for example, for fiscal year 1975, approximately $2.6 million in payments were returned to either the State of Colorado or its counties; but, by applying the 1974 average county mill levy to the approximate valuation of Federal landholdings in Colorado for the same year, a rough estimate of the tax revenues which the Federal lands would generate were they privately-owned can be made and is in excess of $50 million. Concerning the equivalency of such payments to expenditures:

In Minnesota, Itasca County's total acreage is nearly 27 percent National Forest. The average total payment from timber receipts for the past 10 years was approximately 9 cents per acre or about $27,000 per year. Yet, according to testimony from county officials the cost to the county for services provided to the national forest is $500,000 per year and continues to increase yearly.

In Lincoln County, Nevada, with a population of 3,500, the Federal government owns 98.12 percent of the county's 6,790,000 acres. This is an area larger than Connecticut, Delaware, Hawaii, Massachusetts, New Hampshire, New Jersey, Rhode Island, or Vermont, and is equal in size to the state of Maryland. Of this Federal land, 5,740,000 acres are BLM land, for which Lincoln County received only $7,682 in 1974.

Tax immunity is not by any means a problem for western states only. Twenty-one states east of the Mississippi River have national forest lands, 25 have Corps of Engineer projects, and 21 have national parks. Many eastern counties are hard hit by the tax immunity of these lands and the low level of existing payments. In Cocke County, Tennessee, for example, roughly 35 percent of the land is either in a national forest or within the Great Smokey Mountains National Park. For the 44,091 acres of national forest lands, the county received only $6,800 in fiscal 1975. It received nothing for the national park lands.

Local governments with small tax bases to work with are hard pressed to find new sources of revenues to fund services. At the House hearings, witnesses from the state of Utah pointed out that twelve of the 17 counties were now taxing property at the maximum rate allowable under the law. They have reached the limit in using the property tax to finance governmental services. For example, Lincoln County, Nevada, which, as noted above, has 6,790,000 acres or 98.12 percent of its land base owned by the Federal government must derive its $100,000 budget for expenditures from the other 2 percent of the land, with only 1.3 percent of this budget offset by Federal contributions. In Mineral County, Nevada, the Federal government owns 98.7 percent of the land. Even though Mineral County has a population of only 7,051 persons, it has a daily visitor/vehicle population of approximately 2,350 vehicles attracted by recreational opportunities on the Federal lands. These additional persons require services which place severe strain on the county's operating budget, a budget that must be paid for predominantly by the 7,051 inhabitants.

2. The Level of Payments Under H.R. 9719, as Reported

In considering this legislation to provide for a more equitable program to relieve local governments from the fiscal burden created by

the presence of Federal lands within their jurisdictions, the Committee was cognizant of the report and recommendations of the Public Land Law Review Commission.[13]

The Commission recommended establishment of a system to assess the public lands and provide payments to local governments based on the assessed value for property tax. The Commission believed, however, that there are certain economic benefits which accrue to local governments from the presence of these public lands and that those benefits should be quantified and payments reduced accordingly. Little guidance was offered as to how such benefits could be accurately measured.

The Commission's recommendation, moreover, was to replace the numerous existing statutes for sharing revenues and fees produced from Federal lands with one in lieu payment. The Committee agreed with the Commission that the present system of sharing revenues from public lands is inequitable and inadequate, but concluded that it was not feasible at this time to repeal these statutes and establish instead a single system based solely on tax equivalencey. Assessing all the public land, the Committee concluded, would be an expensive, cumbersome and lengthy process which could result in innumerable disputes and, perhaps most importantly, would necessitate creating an unnecessary bureaucracy.

Instead the Committee agreed on a formula based on a flat payment of 75 cents per acre to units of local government for "entitlement lands", deducting existing payments actually received by the local government under other statutes, nad based also on the population of the unit of local government.

The population factor will significantly reduce payments per acre for counties with large amounts of Federal land and a relatively small population. In Lincoln County, Nevada (with 98.12 percent of the land or 6,790,000 acres in Federal ownership), for example, based on its 1970 population of 2,557, payment under H.R. 9719 would be limited to $127,850 (since the population is under 5,000, the payment is computed by multiplying the population by $50). The population cap, therefore, would limit new payments to Lincoln County to less than 2 cents per acre.

H.R. 9719 also provides for a maximum of $1 million which can be received by any one unit of local government in any one year. The only local governments to receive $1 million under H.R. 9719 would be those counties with extremely large Federal land holdings and populations of 50,000 or more. Under this provision, Maricopa County, Arizona, for example, which has 2.4 million acres of entitlement land and a population of over 900,000 would receive $1 million or an additional 41 cents per acre over present payments.

The 75 cent figure is a ceiling under H.R. 9719, but would not affect those counties now receiving more than that under existing laws. Some entitlement lands which are not now eligible for payments under the various programs, such as national parks or Bureau of Reclamation reservoirs, would provide 75 cents per acre—subject to the population limitations—but, generally, payments would be significantly less than 75 cents per acre. Indeed, the average new payment under H.R. 9719, as passed the House, for the 375 million acres of lands outside of

[13] PLLRC Report, pp. 235–241.

Alaska for which payments would be made under that version of the measure would be approximately 32 cents per acre. (This average per acre cost is not expected to be significantly different in H.R. 9719, as reported. See "Cost" section of this report.)

At present, where timber production is high, some counties receive more than 75 cents per acre from forest receipts. The report submitted to the Committee by the Department of Agriculture stated that for fiscal year 1975 eight of 39 States received payments of more than 75 cents per acre. Furthermore, under the Coal Leasing Amendments Act of 1975 and with the expected rapid escalation in coal production in the Northern Great Plains region, a number of additional counties may soon receive mineral revenues in excess of the 75 cents an acre figure.

Even those counties which do receive more than 75¢ an acre seldom receive payments which either are equivalent to what could be received in ad valorum tax revenues on Federal lands were the lands taxable or remove fully the financial burden of providing services to those lands. Moreover, too many of these payments are restricted by statute to use for schools and roads at a time when demands for numerous other governmental services continue to increase—services and responsibilities not generally provided by local governments when the statutes were enacted. These services must be provided regardless of the distance and cost involved: school buses must travel in some cases over 100 miles round trip; expensive criminal trials must be conducted and crimes investigated; Federal pollution and sewage treatment standards must be met; and hospitals must be staffed for emergency and normal care.

For these reasons, H.R. 9719 includes an alternative of 10 cents per acre for counties not qualifying for the 75 cents per acre payment. The 10 cents an acre alternative, however, is not a minimum, since it also is subject to a limitation based on population; thus, where this alternative would apply, it still would provide less than 10 cents per acre in many cases. The payment formula contained in H.R. 9719 will afford all affected jurisdictions with some relief by providing additional payments over what they new receive. And while this formula does not provide an in lieu payment, it will at least bring these jurisdictions a step closer to tax equivalency.

3. Lands For Which Payments Will Be Made Under H.R. 9719, As Reported

The most serious problems of tax immunity exist for areas where there are large concentrations of public domain lands under the jurisdiction of the Bureau of Land Management and national forest lands under the jurisdiction of the Forest Service. It is these lands—approximately 657 million acres out of the 760 million acres of Federally owned lands—which produce most of the $750 million in revenues each year from mineral leasing fees, bonuses and receipts, timber sales, grazing fees, and the sale of other materials. Of this $750 million, approximately $250 million is now reutrned to the States and local governments under the variety of special revenue sharing statutes enacted over the years. These lands are lands for which payments would be made under H.R. 9719.

In addition to BLM and Forest Service lands, the lands within the National Parks System, National Forest Wilderness Areas, and lands

which are utilized as reservoirs as a part of water development projects under the Bureau of Reclamation and Army Corps of Engineers were also included as "entitlement lands" under H.R. 9719, as passed the House. The designation of lands as national parks and wilderness areas precludes any mineral or timber revenues, yet the tax immunity of these lands is no less of a burden for local jurisdictions than multiple-use national forest and BLM lands. States and local governments do not now receive any compensation for the tax immunity of these lands other than the unquantified and indirect benefits from visitors and tourists. In numerous hearings before the Committee local and State officials have testified to the increasing fiscal demands for governmental services in these areas. While the Committee does not discount the fact that some benefits accrue to localities where national parks, monuments and wilderness areas are located, the revenues produced for the local community do not match the burdens of providing additional police and fire protection, search and rescue service, medical and hospital facilities, and other governmental responsibilities required in and around these areas because of the influx of visitors.

Lands utilized as reservoirs as a part of water resource projects under the Corps of Engineers and the Bureau of Reclamation were included for similar reasons. These reservoir areas in many cases were once on the tax rolls. They also now receive heavy recreational use which in turn creates new demands for governmental services.

Although impact aid is provided for military lands, no assistance is available for Department of Army lands which are not presently in intensive use but are semi-active or inactive installations retained for mobilization purposes and for support of reserve component training. For this reason the Committee added these lands to the entitlement lands.

Finally, the Committee decided to add Indian lands to those lands for which payments will be made under H.R. 9719. These lands are also tax exempt; yet, the same activities—mineral development, timber production, grazing, skiing and other commercial outdoor recreation activities—which on public lands generate revenues and fees to be shared with State and governments do not raise revenues and fees for distribution when they occur on Indian lands. Furthermore, the Committee notes that, particularly in recent years, the tax exemption of Indian lands has been a controversial issue in many areas of the country—an issue which has had the tendency to increase tensions between Indians and non-Indians. By including Indian lands in H.R. 9719, the Committee hopes to mitigate the burdens on local governments of the tax exemption of those lands and thus reduce those tensions.

The Committee concluded that the scope of this legislation should be limited to the above described lands and not include other land within the jurisdiction of the Departments of the Interior, Agriculture, and Defense—e.g. national wildlife and game refuges and Bureau of Mines lands, Agricultural Research Service and Soil Conservation Service lands, and lands of the other armed services—or lands of other agencies—e.g. GSA, NASA, ERDA, or DOT lands. While there are certainly fiscal burdens associated with tax-exempt status of these other lands, they do not demand the same level of need for governmental services as those included within the scope of the legislation. Moreover, in the case of active military lands and wildlife and

game refuges, in lieu payments similar to that provided in H.R. 9719 already exist.[14]

Federal lands eligible for payments in lieu of taxes were designated "entitlement lands" in section 6 of the bill because they are believed to have the greatest impact on the fiscal health of units of local government and create the vast majority of the problems related to the tax immunity of Federal lands.[15]

A related problem of tax immunity arises when the Federal government acquires private lands for additions to the National Parks System and units of the National Wilderness Preservation System within the National Forest System. For example, when the private land is acquired for Cuyahoga Valley National Recreational Area, authorized by the 93d Congress,[16] one township will lose 26 percent of its property tax base.

To ease the impact of such Federal acquisitions, H.R. 9719 reduces the burden imposed by the sudden loss of this tax base by compensating units of local government for a five-year period at the rate of 1 percent of the fair market value of the acquired lands (or not to exceed the actual property taxes assessed and levied on the acquired lands during the last year before acquisition). This provision of the bill also would apply retroactively to January 1, 1971, as well as to lands acquired for the Redwood National Forest, which was created by a legislative taking in 1968.[17] This retroactive application involves a relatively insignificant amount of acreage acquired for the national forest wilderness areas. The total acquisition costs by the National Park Service from January 1, 1971, to December 31, 1975, totaled approximately $292 million. Since the acquisition program extends over many years and under the assumption that the current rate of acquisition will continue at $75 million annually, the cost of this provision for fiscal year 1977 would be $4.2 million, rising to $7.2 million by fiscal year 1981.

The intent of these payments is to equalize the fiscal burden caused by the acquisition of private lands for new parks and wilderness areas and to reduce the immediate and direct financial impact on the affected local jurisdiction. This burden is often cited as the most important source of opposition to the establishment of new parks where land, however valuable to our national heritage, is now on the tax rolls and producing revenue.

[14] The in lieu payments for refuge lands are provided pursuant to section 715s of the Migratory Bird Conservation Act (45 Stat. 1222, 16 U.S.C. 450, 463).

[15] Major Federal holdings not within the scope of H.R. 9719 are as follows (as of June 30, 1974):

Federal administering agency	*Acreage*
Fish and Wildlife Service	30,811,823.1
Department of Defense	22,934,584.8
Atomic Energy Commission	2,105,587.8
Tennessee Valley Authority	924,660.2
Agricultural Research Service	400,771.8
Department of Transportation	200,847.1
National Aeronautics and Space Administration	137,125.9
Department of State	122,062.4
Federal Aviation Administration	59,577.5
Department of Commerce	55,639.9
National Oceanic Atmospheric Administration	51,333.9
Federal Railroad Administration	38,034.7
Department of Justice	27,539.0
Veterans' Administration	22,082.5
General Services Administration	16,620.7
Bonneville Power Administration	13,349.8

[16] 88 Stat. 1784.

[17] 82 Stat. 931.

4. The Recipients of H.R. 9719's Payments

Under existing programs for sharing public land revenues, the Federal government returns a percentage of revenues to the States, which are then distributed to State and local governments according to State law and the requirements of the Federal statutes. For example, while receipts from timber production and grazing on national forest lands are passed on to the counties, mineral leasing receipts are paid to the States for use for schools and roads. Some States pass on a percentage of mineral leasing receipts to counties and others do not.

H.R. 9719 requires that any payments under the ten statues set forth in section 4 which are actually received by a unit of local government are to be deducted from H.R. 9719's payments. In most cases only a small percentage of mineral leasing revenues produced within a county are returned to that county by the State. Accordingly, to preclude penalizing these counties, H.R. 9719 provides that only those monies actually received by the local government should be deducted.

Moreover, the Committee believes that payments under H.R. 9719 should go directly to units of local government since the local governments are the entities which assume the burden for the tax immunity of these lands. The Committee does not believe these new payments should be restricted or earmarked for use for specific purposes and the bill allows these payments to be used for any governmental purpose.

Where entitlement land is located in two jurisdictions concurrently—is within, for example, both a township and a county—the smaller unit of local government would be the recipient of the payments for entitlement land within its jurisdiction.

Section-by-Section Analysis

SECTION 1

Subsection (a) directs that, beginning October 1, 1976, and thereafter as provided in section 7(a) (which terminates the payments under sections 1 and 2 after five full fiscal years), the Secretary must make annual payments, on a fiscal year basis, to each unit of local government in which are located the public lands identified in section 4 (called "entitlement lands"). These payments may be used for any governmental purpose.

Subsection (b) establishes the payment formula. The formula provides for a maximum payment to any unit of local government under H.R. 9719 of 75 cents per acre of entitlement land within that unit's boundaries. This payment, however, is (i) reduced by any shares of revenue or fees from the public lands which are actually received by the unit of local government during the preceding fiscal year under any of the statutes set forth in section 4, and (ii) cannot exceed a ceiling based on the unit's population. If existing payments under the statutes set forth in section 4 exceed what the unit of local government would receive under the 75 cents per acre formula, there will be, instead, a payment under H.R. 9719 of 10 cents an acre, again subject to a ceiling based on population.

Subsection (d) provides the method and a table for computing the population ceiling. The table establishes a dollar per capita figure to be multiplied by the population total, rounded off to the nearest thous-

and. In the case of any unit of local government having a population of less than 5,000, the population limitation will be $50 times the population; and the per capita dollar figure reduces by steps as the population increases to $20.00 for a unit of local government having 50,000 residents. No unit of local government is to be credited with a population of greater than 50,000, thus establishing a maximum payment to any one unit of local government of $1 million.

Example 1

Three examples of how the formula works, using hypothetical counties with hypothetical statistics, follow:

Entitlement lands (acres):	
National forest land	200,000
BLM land	400,000
National park land	50,000
Total	650,000
Population	10,000
Present payments:	
Forest receipts	150,000
Grazing receipts	50,000
Total	200,000

First, the number of acres of entitlement land is multiplied times 75 cents an acre (650,000×.75=$487,500).

Next, existing payments are subtracted from the amount computed ($487,500−$200,000=$287,000).

Third, the population ceiling is computed in accordance with the table in subsection (c). As the population is 10,000, the per person figure is $35. This figure is multiplied times the population figure (10,000×$35.00=$350,000).

Finally, the entitlement-minus-current-payments figure ($287,000) is compared to the population ceiling ($350,000) and the former becomes the payment figure unless it exceeds the latter. In this case it does not, so the payment figure is $287,000. The next example shows when the entitlement-minus-current payments figure does exceed the population ceiling.

Example 2

Entitlement lands (acres):	
National forest land	200,000
BLM land	400,000
National park land	50,000
Total	650,000
Population	5,000
Present payments:	
Forest receipts	150,000
Grazing receipts	50,000
Total	200,000

Entitlement figure: 650,000 acres×75¢ an acre=$487,500.

Entitlement-minus-current-payments-figure: $487,000−$200,000=$287,000.

Population ceiling: 5,000 people×table's per person figure of $50.00=$250,000.

Compare entitlement-minus-current payments-figure ($287,000) and populate ceiling ($250,000). The former exceeds the latter; however, as no payment can exceed the population ceiling, the payment will be the population ceiling ($250,000).

Example 3

Entitlement lands (acres):	
National forest land	200,000
BLM land	400,000
National park land	50,000
Total	650,000
Population	10,000
Present payments:	
Forest receipts	350,000
Grazing receipts	50,000
Total	400,000

Entitlement figure: 650,000 acres×75 cents an acre=$487,000.

Entitlement-minus-current-payments figure: 487,000−450,000=$37,000.

Population ceiling: 10,000 people×$35.00=$350,000.

Compare entitlement-minus-current-payments figure ($37,000) and population ceiling ($350,000). The former does not exceed the latter, so the former would be the payment ($37,000).

However, in this final example the straight 10 cents per acre alternative is better as under that alternative the local government would receive $65,000 (10 cents per acre×entitlement acreage: 650,000×0.10).

Subsection (c) directs each State to submit to the Secretary an accounting of what public land revenues are actually transferred to each unit of local government.

Subsection (e) states that, for the purpose of determining the population ceiling, population is to be computed on the same basis as resident population is determined by the Bureau of Census for general statistical purposes.

Subsection (f) addresses those situations where entitlement land is located within concurrent units of local government. For example, in some cases national park or other Federal land is located in both a county and a township. The smaller unit, the township is the unit of local government immediately burdened by the tax immunity of these lands. This provision insures that payments under the Act will go to the smaller unit of government when the entitlement lands are located within more than one unit concurrently.

SECTION 2

Subsection (a) provides for an additional payment to any local government for lands or interests therein within its boundaries which are added, after December 31, 1970, to the National Park System and units of the National Wilderness Preservation System within the National Forest System. (The payments are for 1 percent of fair market value for five years only. See subsections (b) and (c) below.)

Payments authorized by this subsection will be made to counties, with the counties responsible for distributing the payments on a proportional basis to those units of local government and affected school districts which have incurred losses of real property taxes due to the acquisition of these lands or interests by the Federal government. The Secretary would establish guidelines for this distribution, but the basic determination would be left to the counties—and thus to local rather than Federal control. In those cases (as in New England) where counties do not act as the collecting and distributing agency for real property taxes, the payments would go to those units of local government who perform those services. Although the above two provisions will take care of most cases, there may be unique exceptions—such as where another unit of local government as well as the county collects taxes. In such instances, the Secretary is authorized to issue regulations to assure that the purpose of the subsection is fulfilled.

The Redwoods National Park is included in this subsection because of the unusual circumstances concerning its creation. This park was one of the few acquired by legislative taking where title passed from the former owners to the United States government on the date of enactment, October 2, 1968. These lands left the tax rolls on that date. Had the park been acquired by conventional authority, title of the land would not have immediately passed to the Federal government. Little if any of this land would have left the tax rolls for several years and the Redwood Park lands would have qualified under the January 1, 1971, acquisition date.

Subsection (b) and (d) provide that the payment would apply only for the first five years following the acquisition of such lands or interests or five years after enactment of H.R. 9719 for lands or interests acquired prior to enactment, but after December 31, 1970.

Subsection (c) provides that each payment shall be 1 percent of the fair market value of such lands or interests on the date of their acquisition by the United States. No assessment procedure is necessary since the fair market value is determined at the time of acquisition. If the land in question is rezoned after the Congress has authorized acquisition, and this increases the value, the original fair market value will be the figure used to determine the payment. Regardless of assessed value, any payment under subsection (a) cannot exceed the amount of property taxes assessed and levied on the property for the fiscal year preceding the fiscal year in which the property was acquired.

The purpose of section 3 is to provide payments to localities which lose taxes as a result of the acquisition of private lands or interests for national parks and national forest wilderness areas. Although the payments would not necessarily provide dollar-for-dollar tax equivalency to these localities, they would provide a measure of relief temporarily to permit those localities to adjust to the tax loss.

SECTION 3

Section 3 addresses an unusual and inequitable financial situation concerning the Grand Canyon School District of Arizona which is located wholely within the Grand Canyon National Park. The school district provides education to 273 students within the Park area. Only five students come from families who pay school taxes. The remainder

of the students come from families who live on federally-owned land and, therefore, do not pay property taxes.

The property tax rate in the school district is 8.77%, reflecting an increase of $1.20 per $100 assessed valuation over the last year. This rate is almost double the average state rate of 4.4%. The tax base of $4,596,000 is down almost $60,000 from the previous year. It is anticipated that the tax base will diminish in the future because of the removal of a railroad right-of-way held by the Atchison Topeka and Sante Fe Railroad.

Because of the lack of money, the school district cannot provide the type of education to its students that other comparable schools can offer. Furthermore, a recent study conducted by the Park Service indicates that the school population will increase to over 590, or more than double in the next five years.

This type of legislation has a precedent. A similar provision (62 Stat. 338) was enacted in 1948 covering Yellowstone National Park. The cost of this section is estimated at $390,000.

Subsection (a) authorizes the Secretary of the Interior to make payments out of revenues to Grand Canyon National Park to the appropriate school district serving that Park. Payments authorized are based on a formula of pupils who are dependents of persons engaged in the administration, operation and maintenance of the Park and are living at or near the Park upon real property of the United States not subject to taxation by state or local agencies versus the total number of pupils.

The Secretary is authorized to make direct payments to the school district or, alternatively, under subsection (b) is authorized to enter into cooperative agreements with the state or local agency for the operation of school facilities, construction and expansion of school facilities at federal expense, and the making of contributions on an equitable basis satisfactory to the Secretary to cover the cost of educational services.

SECTION 4

Section 4 sets forth certain public laws under which States and units of local government now receive a percentage of revenues from Federal lands. These payments would not be affected by H.R. 9719. However, the 75¢-an-acre payments made under section 1 of H.R. 9719 would be reduced by the amount of payments actually received by units of local government from these programs. These statutes cover timber receipts, mineral receipts, Federal power receipts, grazing receipts and materials sold from the Federal lands. The provisions of law referred to in this section are as follows:

(1) National Forest receipts, 16 U.S.C. 500, under which the Forest Service pays 25 percent of all monies realized from sales of national forest timber to the States for distribution to the counties. These funds are earmarked for the benefit of schools and roads within the county in which the forest is located.

(2) New Mexico and Arizona Enabling Act, 36 Stat. 557, requiring payment by BLM of 3 percent of national forest gross receipts from designated school lands located within national forests in Arizona and New Mexico to those States.

(3) Mineral Lands Leasing Act, 30 U.S.C. 191, under which BLM pays 37½ percent of all receipts from mineral leases on public domain lands, excluding national parks, to the States to be used by the States or the subdivisions thereof for the construction and maintenance of public roads or schools, as the legislature of the State may direct, and 12½ percent of all such receipts to be used for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services by the State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions socially or economically impacted by the mineral development.

(4) Section 17 of the Federal Power Act, 16 U.S.C. 810, providing that the FPC pay 37½ percent of the receipts from public lands used for power purposes to the States to be used in any manner designated.

(5) Section 10 of the Taylor Grazing Act, 43 U.S.C. 315i, providing for BLM payment of 12½ percent of fees received from grazing districts in a manner determined by the State legislature.

(6) Section 33 of the Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1012, under which BLM and the Forest Service pay 20–25 percent of the revenue received from lands acquired under title III of the Act to the counties in which the land is located to be used for school and road purposes.

(7) and (8) Superior National Forest receipts, 16 U.S.C. 577-(g) and 577(g)(1), which provide that the Forest Service pay three-fourths of 1 percent of the appraised value of specified lands within the Superior National Forest to the counties in which these lands are located, to be used for any governmental purpose.

(9) Section 6 of the Mineral Leasing Act for acquired lands, 30 U.S.C. 355, under which BLM makes payments equal to a percentage of products mined on all acquired land not covered by existing mineral leasing laws, excluding national parks and monuments, to either the States or counties depending on the applicable law, to be used in a manner determined by the applicable law.

(10) Section 3 of the Materials Disposal Act, 30 U.S.C. 603, providing for various means and levels of distribution of funds from revenues derived from disposal of sand, gravel, and other materials from public lands under the jurisdiction of various Federal agencies. It also varies the uses for which those funds can be spent depending on the public land involved.

SECTION 5

Subsection (a) exempts 18 "O and C" counties in western Oregon from H.R. 9719. Those counties now receive revenue from timber receipts under separate statutes, enacted in 1937 and 1939, which revested title to certain railroad lands in the Federal Government. As sections 1 through 7 of H.R. 9719 do not change any existing statutes but only provide new payments where existing programs are inadequate, and as the O and C lands timber receipts revenue sharing program is clearly adequate, section 5 would insure that no payments are made under H.R. 9719 for those lands.

So that administrative costs do not exceed payments, subsection (b) directs that no payment of less than $100 will be allowed under H.R. 9719.

Subsection (c) provides that no payments under H.R. 9719 are to be made for lands for which payments would otherwise be made if such lands have been acquired by the Federal Government from State or local governments and were exempt from real estate taxes when they were conveyed. A proviso insures that section 1 payments cannot be avoided by exchanging Federal land on which payments must be made for State or local land for which no payments would otherwise be necessary.

SECTION 6

This section contains definitions.

Subsection (a) defines "entitlement lands" for which payments would be made under section 1 of the Act. These lands, as provided in H.R. 9719 as passed the House, included: all lands within the National Park System; National Forest lands; wilderness areas under the jurisdiction of the Forest Service; lands administered by the Bureau of Land Management; and, lands utilized as reservoirs as a part of water resource development projects under the Army Corps of Engineers or Bureau of Reclamation. Those eligible water resource lands are reservoir areas and do not include lands devoted to other purposes such as drainage or irrigation ditches, pipelines and transmission lines.

During mark-up, the Committee added inactive and semi-active Department of Army lands for which no impact aid is given and Indian lands. There are three types of Indian lands: public land withdrawn to be managed by the Bureau of Indian Affairs for administrative purposes, tribal trust land (land title to which is owned by the United States in trust for Indians or Indian tribes), and private trust land (land title to which is owned by Indians or Indian tribes subject to a restriction against alienation).

The total acreage of these lands (excluding Alaska, Indian lands, and the inactive and semi-active Army lands) as of June 30, 1974, was as follows:

National park system lands	17,813,207.3
National forest system lands (including wilderness)	166,531,647.7
Bureau of Land Management lands	174,645,830.7
Bureau of Reclamation	7,532,714.7
Army Corps of Engineers	7,748,325.8
Total entitlement lands (excluding Alaska)	374,271,726.20

The total acreage of Indian lands as of June 30, 1975, was as follows:

BIA administration lands	895,621.04
Tribal trust lands	40,822,456.46
Individual trust lands	10,127,204.54
Total	51,845,282.04

Subsection (b) defines "Secretary" to mean Secretary of the Interior.

Subsection (c) defines "unit of local government" to mean a county, parish, township, municipality, or other unit of government below the

State which is a unit of general government as determined by the Secretary on the basis of the same principles as the Bureau of Census uses for general statistical purpose. Only those boroughs in Alaska existing at the date of enactment of H.R. 9719 are included as units of local government eligible to receive payments. Since the total acreage of entitlement land within the boroughs is considerable, in all cases the payments received under this Act will be determined by the population limit of the boroughs, less existing payments. Units of local government include general purpose local governments as well as the governing units of the Commonwealth of Puetro Rico, Guam and the Virgin Islands.

SECTION 7

Subsection (a) authorizes the appropriation of such sums are necessary for each of the five full fiscal years after enactment. H.R. 9719, as passed the House, had a no-year-end authorization. However, the Committee adopted the "sunset provision" of the Senate counterpart bill (S. 3468). The termination of the program at the end of five full fiscal years will permit and, indeed force, the Executive Branch and the Congress to review carefully the program's benefit and defects at the end of the fourth fiscal year or the beginning of the fifth fiscal year.

Subsection (a) also contains a proviso stating that no funds may be made available except to the extent they are provided in advance in appropriations Acts. It also provides that when less than the full amount is appropriated, the payments to each unit of local government are reduced proportionately.

Subsection (b) authorizes the Secretary of the Treasury to maintain in a special account a sufficient proportion of the Grand Canyon National Park revenues to meet the requirements of section 3, based upon estimates to be submitted to the Secretary of the Interior, and to expend the revenues upon certification by the Secretary of Interior in accordance with section 3.

SECTION 8

This section amends the "Coastal Energy Impact Program" recently added to the Coastal Zone Management Act by P.L. 94–370.[18] This section does not provide any additional money either to the program or to any individual State nor does it modify any formula for distribution of impact assistance funds under the program. The amendment merely provides somewhat broader latitude for use of the program's formula grants by States and units of local government.

This section would make two deletions to the language of Section 308 (b) (4) (B) (i) of the Coastal Zone Management Act, as amended. The language deleted is "because of the unavailability of adequate financing under any other subsection" and "new or expanded".

The "Coastal Energy Impact Program" provides loans and formula grants to states which are impacted by the development of Outer Continental Shelf (OCS) energy resources. Distribution of such formula grants is based upon the number of acres leased on the OCS off the coast of a State, the new jobs created in a State due to new or expanded OCS activity, and the amount of crude oil and natural gas produced from the OCS off the coast of a State and first landed in a coastal State. State and local governments which receive such formula grants may use the funds for repayment of loans under the loan portion of the energy impact program, for certain new or improved public facilities and services, and for the prevention or amelioration of certain losses of valuable environmental and recreational resources.

[18] The Act of July 26, 1976 (90 Stat. 1013, 1019–1028).

Both deletions in this section are concerned with the use of such formula grants by States and units of local government to provide new or improved public facilities and services. The first deletion removes the requirement that, before the grants may be used for such purpose, the governmental units must first borrow all the money the federal government will lend them for such purposes. The second deletion clarifies that formula grants may be used to provide public facilities and public services necessitated by ongoing as well as "new or expanded" OCS development.

The Committee believes the requirement that loans be exhausted before formula grants may be used is both unrealistic and unnecessary. The Committee further believes that States which presently support OCS development as well as those States which will support such development in the future should be allowed to use formula grants to provide public facilities and services necessitated by that development.

COMMITTEE AMENDMENT

The following changes were made by the Committee in H.R. 9719, as passed the House:

Added inactive and semi-active Department of Army lands and Indian lands to the bill's coverage (sec. 7(a)).

Removed the no-year-end authorization in favor of a 5 full fiscal year "sunset" provision (sec. 8(a)).

Permitted payments for acquired lands which were owned by State or local governments and were tax exempt at the time of their acquisition if such lands are acquired by exchange (sec. 5(c)).

Changed the formula for payments in section 1 so as to increase the amount of payments in less populous counties (sec. 1(b)).

Added section 3 concerning payments to the school district in Grand Canyon National Park (sec. 3 and sec. 7(b)).

Added section 8 amending section 308(b)(4)(B)(i) of the Coastal Zone Management Act of 1972, as amended (sec. 8).

Various technical and conforming changes.

These changes are discussed in the Section-by-Section Analysis portion of this report.

LEGISLATIVE HISTORY

Bills to provide a system of payments to compensate local governments for tax exempt Federal lands have been introduced in numerous Congresses.

H.R. 9719 was introuced in the House of Representatives by Representative Frank Evans on September 15, 1975. Hearings were conducted by the Subcommittee on Energy and the Environment of the House Interior Committee in Salt Lake City, Utah, and Reno, Ne-

vada, on October 24, 1975, and in Washington, D.C., on November 3 and 4, 1975. The House Interior Committee considered H.R. 9719 on March 16, 1975, and ordered it reported favorably, as amended, by voice vote on March 17, 1976. The House passed the measure on August 5, 1976, by a vote of 270 to 125.

The Senate counterpart bill, S. 3468, was introduced on May 20, 1976, by Senators Gary Hart and Floyd K. Haskell, both of Colorado. In addition the following bills referred to this Committee provide for a payment in lieu of taxes program: S. 1285 (Senators Humphrey, McGee, Mondale, McGovern, and Abourezk), S. 2471 (Senators Abourezk and McGee), S. 2926 (Senators Randolph, McGovern, Stafford, and McGee), and S. 3721 (Senators Chiles and Stone).

The Subcommittee on the Environment and Land Resources of this Committee held a hearing on H.R. 9719 and S. 3468 on August 27, 1976. The Committee considered, amended, and ordered reported H.R. 9719 on September 8, 1976.

The cost of H.R. 9719, as reported, could not be accurately determined as of the date of filing of this report. The committee amendments would result in changes in the payments as provided in the House-passed version of the proposal. These amendments altered the formula for computing the payment to each unit of local government, included Indian lands and semi-active and active Army installations in the lands for which payments would be made under section 1 of the measure, and required section 1 payments for tax-exempt State or local government lands acquired by exchange by the Federal Government.

The Committee has asked the Department of the Interior to recompute the cost based on the reported bill. The Department has informed the Committee that it can determine the maximum cost of the measure, as reported, but cannot provide an exact cost figure at this time—the reason being that the acquired, formerly publicly-owned, tax-exempt lands (for which payments would not be made) can only be determined by detailed search of the Federal land records. The Department is making its computations as though no Federal lands fit that category thus arriving at maximum cost figures.

The Committee expects to receive the estimated cost figures from the Department within the week and the Chairman will insert the estimate in the Congressional Record as soon as it becomes available.

Set out below is the Congressional Budget Office report provided for H.R. 9719, as reported by the Committee on Interior and Insular Affairs of the House of Representatives. The cost of the Senate Interior Committee version may be expected to be somewhat greater.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

MAY 3, 1976.

1. Bill No.: H.R. 9719.
2. Bill title: Payments in Lieu of Taxes.
3. Purpose of bill: This legislation is designed to reduce the loss of local governments' revenues due to the existence of non-taxable federal lands within their jurisdictions. Specifically, payments are authorized to local governments in which certain federal lands are located. The federal lands which entitle a local government to payment are those of the National Park or Wilderness System, the National Forest Service, the Bureau of Land Management, the Bureau of Reclamation, and certain water resource lands of the Corps of Engineers. This is an authorization bill that requires subsequent appropriation action.

4. Cost estimate: This bill authorizes to be appropriated such sums as may be necessary to carry out the provisions of the Act. Payments are to be made on a fiscal year basis and thus there will be no difference between budget authority and outlays. Based primarily on a county-by-county application of a payment formula, the expected costs of this bill are presented below.

[Millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Authorization level	117	118	118	119	120
Costs	117	118	118	119	120

5. Basis of estimate: As explained below, there are two kinds of payments to local governments authorized by this bill.

The first payment type is determined by a population formula, but is subject to an overall limitation. Specifically, a local government receives the greater of:

1. 75¢ per acre of entitlement land less the aggregate amount of payments received by that local government from the National Forest System, from mineral leasing receipts, or from any of several smaller sources of funds.
2. 10¢ per acre of entitlement land.

The overall payment limitations range from $50 per person in local jurisdictions with a population of 5,000 or less to $20 per person in those with a population of 50,000 or more. No local government, however, may receive more than $1 million. Applying the above formula on a county-by-county basis, including all entitlement lands except those of the Corps of Engineers, results in annual payments of $107.5 million. At the present time, the eligible lands of the Corps of Engineers are not aggregated by county. Therefore, the formula could not be applied to the Corps 7.0 million acres. This analysis has assumed the maximum possible payment of 75¢ per acre for these lands. The resulting $5.25 million in cost assumes that no population payment limits are reached and that no local government with Corps' land received any deductible payments.

This bill authorizes a second type of payment. When the United States has acquired land subject to local property taxes for the National Park or Wilderness System, annual payments are to be made to the county for five years at a rate of one percent of the property's fair market value. This payment is limited to an amount equal to the taxes paid on the land previously and only applies to land acquired since 1970. From January 1, 1971 to December 31, 1975, the National Park

Service spent $292 million on land acquisition. Based upon this experience, $75 million is the projected annual expenditure for land acquisition from 1976 through 1981. Given this assumption, the annual payment will be $4.2 million in FY 1977 and rise to $7.2 million by FY 1981.

6. Estimate comparison: The Department of the Interior has estimated the yearly costs of H.R. 9719 at $118.2 million. While Interior's projected costs are very similar to those in this analysis, some differences exist between the two estimates. For example, in applying the payment formula to counties, Interior included a $1 million payment to Alaska's unorganized burrough which was intentionally excluded in this analysis (this exclusion was based on the Committee's intent to exclude this area). Additionally, Interior did not include Corps of Engineers' land in their estimate. Finally, Interior assumed that the National Park Service would complete its $970 million land acquisition program immediately. With the one percent of fair market value formula, this assumption results in projected 1977–1981 payments of $9.7 million annually. Given current appropriation levels, however, this analysis assumes that the Park Service is unable to complete their acquisition program in this time frame. The annual expenditure for land acquisition assumed here is the $75 million level presently in effect. The offsetting difference of not including the Corps of Engineers land, but accelerating the National Park Service's program makes the Interior Department's estimate approximate the estimate specified above.

7. Previous CBO estimate: none.

8. Estimate prepared by Leo J. Corbett (225–5275).

9. Estimate approved by C. G. Nuckols, (For James L. Blum, Assistant Director for Budget Analysis).

Committee Recommendation

The Committee on Interior and Insular Affairs, in open business session on September 8, 1976, by a unanimous voice vote of a quorum present recommended that the Senate pass H.R. 9719, if amended as described herein.

Executive Communications

The reports of the Federal agencies to the Committee concerning H.R. 9719 are set worth as follows:

U.S. Department of the Interior,
Washington, D.C., August 26, 1976.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This responds to your request for the views of this Department on H.R. 9719, as passed by the House, a bill "To provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality," and S. 3468, a bill "To provide for certain payments to be made by the Secretary of the Interior to

local governments based on the amount of certain public lands within their boundaries, and for other purposes."

We are strongly opposed to the enactment of both bills.

Under section 1 of both bills, the Secretary of the Interior is directed to make annual payments in lieu of taxes to each unit of local government in which there are certain Federally-owned lands. The amount of each such payment to each county is to be computed by a formula under section 2. Payment to the county shall be equal to the greater amount arrived at under one of two alternatives: (A) multiply the number of Federal acres in the unit of local government by 75 cents, but not to exceed a limitation based on population, and subtract the amount of revenue payments received by the local government under any of the Federal statutes listed in section 4 of the bill; or (B) multiply the number of Feedral acres by 10 cents, subject to the limitation for population.

Section 3 provides for an additional payment by the Secretary of one percent of the fair market value of lands added to the National Park Service and Wilderness Preservation Systems. This payment would apply prospectively for the first five years following acquisition of the lands in both bills and for the first five years after enactment of H.R. 9719 for lands acquired prior to enactment but after December 31, 1970 (or October 2, 1968 in the case of Redwood National Park) in H.R. 9719.

Under both H.R. 9719 and S. 3468 entitlement lands include those: in the National Park System; the Wilderness Preservation System; the National Forest System; and those administered by the Bureau of Land Management. H.R. 9719 further includes lands dedicated to the use of water resource development projects in the U.S.; and dredge disposal areas under the jurisdiction of the U.S. Army's Corps of Engineers.

H.R. 9719 would exclude from payments those lands which were owned and administered by a State or local government and exempt from the payment of real estate taxes at the time title to such lands was conveyed to the United States.

On April 28, 1976, this Department transmitted to the House Committee on Interior and Insular Affairs a breakdown of payments by unit of local government under section 1 of H.R. 9719, as well as a calculation of section 3 payments under that bill. The response was coordinated among the Bureau of Land Management, the Bureau of Reclamation, the National Park Service, and the Department of Agriculture's U.S. Forest Service, and our payment calculations were based upon all the Federal lands administered by these agencies in the 50 States and two U.S. territories. The response did not include those lands administered by the U.S. Army's Corps of Engineers. The section 1 first year payments under H.R. 9719, excluding the Corps, were estimated to be approximately $108 million, (although revised estimates now indicate that all payments, including those for the Corps of Engineers, may come closer to $106 million). Under section 3 of H.R. 9719, one percent of total land acquisition costs for the National Park Service, including NPS wilderness areas, was estimated at approximately $9,707,658 or $48,538,291 over five years. We have not estimated costs under S. 3468.

We recognize, as did the Public Land Law Commission, that the present systems used to share receipts from Federal lands are not uniform, may be inequitable, and have other shortcomings. However, we recommend against the enactment of both bills, because we believe that before meaningful and equitable improvements can be made in the present systems used to share receipts from Federal lands, a comprehensive study would have to be made to assure that changes which are beneficial to some State and local governments do not create even more serious inequities for other State and local governments or for the Federal government. At the present time, no adequate comprehensive study has been completed on this highly complex issue and no useful recommendations or consideration of alternatives have been made.

The potential ramifications of this legislation are very broad. Gross inequities could result from using an arbitrary formula of subsidies totally unrelated to problems of the counties entitled to deceive these funds. The possibility exists under these bills some counties would gain windfalls, and other counties might be underpaid where the need may be more acute to have financial assistance. Among the States, principal beneficiaries of tax moneys collected for the benefit of all the people of the United States will be Alaska, Arizona, California, Idaho, Colorado, Montana, Nevada, Utah, Wyoming, and New Mexico.

Any figure used for calculation of payment to a unit of local government is arbitrary unless based upon a procedure that calculates not only the tax revenue lost by the Federal holding, but the benefits gained by Federal ownership, which can be of considerable value to a community. We are not aware of any comprehensive analysis or rationale that produces a 75 cent or 10 cent payment based on acreage, or a regulation of payments by a sliding scale based on population.

At present, there are many provisions of law which provide for either the sharing of receipts generated from Federal lands or for Federal payments to States and local governments affected by certain Federal land management programs. Two important changes have recently been made in these payments. The Coastal Zone Management Act Amendments of 1976 (90 Stat. 1013), provides for significant Federal assistance to those State and local governments impacted by energy development in coastal regions. The Federal Coal Leasing Amendments Act of 1975 (90 Stat. 1083), increased the State share of public domain mineral leasing receipts from 37½ percent to 50 percent, and to 100 percent for Alaska.

In addition, there is existing law which provides for in-lieu payments to States for lands acquired by the Federal government. For example, section 2 of the Act of September 30, 1950, as amended (20 U.S.C. 236, 237) provides for payments by the Department of Health, Education, and Welfare to local educational agencies for Federal lands acquired in their school districts since 1938. During our consideration of the impact of these two bills, this program was one which we identified. There may be more.

There are also many programs of Federal grants-in-aid or direct Federal assistance to local governments for community development and land use, and for commercial, housing and environmental development, available to States and localities from, among others, HUD, HEW, EPA and the Departments of Commerce and Agriculture.

No analysis has been conducted as to what extent payments under these two bills would be used by counties for the same purposes as existing Federal assistance is now being used and would thus over lap.

The bills would result in complex problems of administration. For example, the Secretary of Interior would be required to make payments for lands administered by other agencies which would increase the complexity of administration, despite a high degree of coordination.

Under most of the Acts listed in section 4 there is nothing that requires a State to redistribute moneys received under those Acts. Therefore, the State could retain those funds and the counties would then be entitled to the full 75 cents an acre subject only to population limitation.

Further, for a period of five years, many local governments will receive a dual payment under both sections 1 and 3 for newly acquired park service lands. We see no justification for this double payment.

In our judgment, H.R. 9719 and S. 3468 represent an arbitrary solution that would not mitigate any inequities or complexities in the present system used to share Federal lands receipts with State and local governments. Rather, this legislation would increase existing problems and exacerbate inequities.

The Office of Management and Budget advises that there is no obligation to the presentation of this report and that enactment of H.R. 9719 or S. 3468 would not be in accord with the President's program.

Sincerely yours,

THOMAS S. KLEPPE,
Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 27, 1976.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate.

DEAR MR. CHAIRMAN: As you requested, here is our report on H.R. 9719, an act "To provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality" and S. 3468, a bill "To provide for certain payments to be made by the Secretary of the Interior to local governments based on the amount of certain public lands within their boundaries, and for other purposes."

The Department of Agriculture strongly recommends that neither H.R. 9719 nor S. 3468 be enacted.

H.R. 9719 and S. 3468 would direct the Secretary of the Interior to make certain payments to units of local government having Federal "entitlement lands" within their jurisdictions. Both H.R. 9719 and S. 3468 would designate all land within the National Forest System as entitlement land. The payments would be based upon a formula which takes into account Federal acreage and population; they could be used for any governmental purpose; and they would be in addition to other payments made under existing law. Both H.R. 9719 and S. 3468 would authorize the appropriation of such sums as might be

needed to carry out their provisions. The H.R. 9719 authorization would be of indefinite duration while the S. 3468 authorization would expire at the end of fiscal year 1980.

The Department of Agriculture recognizes, as did the Public Land Law Review Commission, that the present systems used to share receipts from Federal lands are not uniform and have other shortcomings. We support equitable payments to State and local governments that recognize both local services which benefit Federal lands and any adverse impacts of Federal lands on local governments. However, in our judgment, meaningful and equitable improvements will require comprehensive studies and actions to assure that changes which are beneficial to some State and local governments do not create even more serious inequities for other State and local governments or for the Federal Government. Any equitable approach must recognize and take into account both the tangible and intangible benefits that State and local government receive from Federal lands within their boundaries.

On November 14, 1975, the Forest Service entered into an agreement with the Advisory Commission on Intergovernmental Relations for an 18-month study of payments to State and local governments from National Forest System receipts. The Commission was established by the Act of September 24, 1959 (73 Stat. 703, as amended; 42 U.S.C. 4271), and its responsibilities include making studies and investigations necessary or desirable to recommend the most desirable allocation of revenue among the several levels of government. We recognize that a study of Federal payments to States dealing with only the National Forest System should probably be supplemented by studies dealing with other Federal lands and real property.

At present, there are more than a dozen provisions of law which provide for either the sharing of receipts from Federal lands or for Federal payments to States and local governments affected by certain Federal land management programs. Two important changes have been made in these payments during the last month. The Coastal Zone Management Act Amendments of 1976 (90 Stat. 1013), provide for significant Federal assistance to those State and local governments impacted by energy development in coastal regions. The Federal Coal Leasing Amendments Act of 1975 (90 Stat. 1083), effectively increased the State share of public domain mineral leasing receipts from 37½ percent to 50 percent.

In our judgment, H.R. 9719 and S. 3468 represent an arbitrary, piecemeal approach that would increase, rather than reduce, the inequities and complexities that characterize the present systems used to share Federal lands receipts with State and local governments. We have several concerns about the practical effects of this legislation which are are expressed in the enclosed supplemental statement.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of H.R. 9719 or S. 3468 would not be in accord with the President's program.

Sincerely,

JOHN A. KNEBEL,
Under Secretary.

Enclosure.

USDA SUPPLEMENTAL STATEMENT, H.R. 9719 AND S. 3468

H.R. 9719 and S. 3468 would direct the Secretary of the Interior to make payments to units of local government in which Federal "entitlement lands" are located. Eligible local governments would receive the greater amount of (1) 75 cents for each acre of entitlement land less certain other Federal payments during the preceding year, or (2) 10 cents for each acre of entitlement land. The payments would be limited by a sliding scale ranging from $50 per capita for units of local government with a population of 5,000 or less to $20 per capita for units of local government with a population of 50,000 or more. The maximum annual payment to any unit of local government would be $1 million, since no unit would be credited with a population of more than 50,000. In addition, the Federal Government would annually pay 1 percent of the fair market value of lands acquired for national parks and wildernesses during each of the 5 years following acquisition.

All lands within the National Forest System would be entitlement lands under H.R. 9719 and S. 3468, and we have the following concerns about the legislation.

One of our overall concerns is the arbitrary nature of the proposed payment formula. We are not aware of any comprehensive analysis or rationale that leads to a 75-cent or 10-cent payment based on acreage. The regulation of payments via a $50-to-$20 per capita sliding scale also lacks a visible basis.

The proposed payment formula would accentuate the payment-per-acre differences that now exist among units of local government that have National Forest System lands within their jurisdictions. Subject to per capita limitations, the formula would have the following effects. Each eligible unit of local government that received a total of 64 cents or less per entitlement acre from certain specified Federal land payments during the preceding fiscal year would be compensated to the extent necessary to bring its annual payment up to 75 cents per entitlement acre. Each eligible unit of local government that received a total of 65 cents or more per entitlement acre from certain specified Federal land payments during the preceding fiscal year would receive an additional 10 cents per entitlement acre. Thus, every unit of eligible local government would be assured of annually receiving at least 75 cents per entitlement acre, while those receiving more than 75 cents from other Federal land payment sources would annually receive an extra 10 cents per entitlement acre.

Under the 75-cent alternative in section 2(a)(1), the payment would be reduced "by the aggregate amount of payments, if any, received by such unit of local government during the preceding year under all of the provisions specified in section 4." One of the specified provisions is the Act of May 23, 1908 (35 Stat. 251; 16 U.S.C. 500), which provides that 25 percent of all moneys received during any fiscal year from each National Forest shall be paid to the State in which the National Forest is located "to be expended as the State legislature may prescribe *for the benefit of* (emphasis added) the public schools and public roads of the county or counties in which the national forest is situated." Thus, States are not required to make direct cash pay-

ments of shared National Forest revenues to the counties. If the funds expended "for the benefit of" local governments were not properly reported and deducted under section 2, some unwarranted overpayments could result under H.R. 9719 and S. 3468.

We understand the 10-cent alternative was included to provide at least some additional payment to each eligible unit of local government that could be used for any governmental purpose. Most existing laws requiring the sharing of Federal land revenues also require that States and local governments use the shared revenues for schools and roads. If the Congress feels use requirements are too stringent, we believe the existing laws should be examined rather than create a new payment that it partially designed to avoid the use requirements attached to other payments.

Mutually beneficial land exchanges among Federal, State, and local governments are based upon equal value rather than equal acreage. Since the payments under H.R. 9719 and S. 3468 would be based upon entitlement acreage, the legislation would discourage exchanges which would reduce entitlement acreage.

Federal land exchanges with State and local government would be further confounded by section 6(a)(4) of H.R. 9719. That section would exclude from the entitlement land category any lands that were owned and/or administered by a State or local unit of government and exempt from the payment of real estate taxes at the time title to such lands was conveyed to the United States. Although we agree with the general principle that the Federal Government should not make in-lieu-of-tax payments for lands that were not being taxed at the time they were acquired, the application of section 6(a)(4) would create many questions and problems. For example, some units of local government receive State in-lieu-of-tax payments for State lands within their jurisdictions. It is not clear whether these payments would be considered to be "real estate taxes" under section 6(a)(4). If they were not treated as real estate taxes, any State lands which became Federal lands through exchange would not be included in the payment calculation under section 2 of H.R. 9719. Units of local government would be understandably reluctant to participate in or agree to land exchanges that would reduce local revenues.

Section 6(a)(4) would also create an enormous and expensive administrative task. Before any payments could be made, each Federal land management agency would be required to search all of its land records to eliminate any lands from the entitlement land category that were acquired from State and local governments and exempt from real estate taxes.

We recognize that a tax shock can result for units of local government whenever the Congress creates a large new Federal area. We believe there are special cases in which the Federal Government should make reasonable temporary payments that take into account the extent of the Federal impact and local needs. However, we question the advisability of establishing an across-the-board payment system like the one in section 3 of H.R. 9719 and S. 3468. More specifically, we recommend that such a provision not apply to lands acquired within National Forest wildernesses. Of 12.7 million acres of National Forest wildernesses, about 509,000 acres (4 percent) are in private or other non-

Federal ownership. Only 4,600 acres have been acquired within National Forest wildernesses since June 30, 1970. Although the overall Federal financial impact of section 3 would be relatively small if applied to the National Forest System, it would set a serious precedent that could be applied to all Federal land purchases within the National Forest System.

There appears to be a lack of consistency between section 3(a) and section 6(a)(4) of H.R. 9719. The special additional payment under section 3(a) would apply to any Federally acquired land, regardless of previous ownership, if that land had been subject to local real property taxes for 5 years before acquisition. Meanwhile, the payment under section 2 would not apply to State or local government lands that were exempt from real estate at the time of Federal acquisition.

Enactment of H.R. 9719 or S. 3468 would substantially reduce Federal revenues from the National Forest System and thus contribute to the Federal deficit. If this legislation had been enacted in 1975, payments to units of local government, as a result of entitlement lands within the National Forest System, would have increased by $60 million (from $89 million to about $149 million). The amount of the additional Federal payment under H.R. 9719 and S. 3468 would fluctuate annually, increasing during the year following a year when Federal land receipts decreased, and decreasing during the year following a year when Federal land receipts increased.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., August 26, 1976

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of August 23, 1976, for the views of the Office of Management and Budget on S. 3468, a bill "To provide for certain payments to be made by the Secretary of the Interior to local governments based on the amount of certain public lands within their boundaries, and for other purposes."

The Administration strongly opposes this legislation. The payments authorized under S. 3468 would be arbitrary and bear no relationship to whatever impact Federal ownership of lands may have on local jurisdictions.

The Office of Management and Budget concurs in the views of the Departments of Agriculture and the Interior in their reports on S. 3468. The agencies' reports provide a detailed analysis of the bill and a discussion of the Administration's objections to it. Enactment of S. 3468 would not be in accord with the program of the President.

Sincerely yours,

JAMES M. FREY,
Assistant Director for Legislative Reference.

Changes in Existing Law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the Act, H.R. 9719, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets and existing law in which no change is proposed is shown in roman):

Section 308(b)(4) of the Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended by the Act of July 26, 1976, (90 Stat. 1013, 1022):

(4) Each coastal state shall use the proceeds of grants received by it under this subsection for the following purposes (except that priority shall be given to the use of such proceeds for the purpose set forth in subparagraph (A)):

(A) The retirement of state and local bonds, if any, which are guaranteed under subsection (d)(2); except that, if the amount of such grants is insufficient to retire both state and local bonds, priority shall be given to retiring local bonds.

(B) The study of, planning for, development of, and the carrying out of projects and programs in such state which are—

(i) necessary[, because of the unavailability of adequate financing under any other subsection,] to provide new or improved public facilities and public services which are required as a direct result of [new or expanded] outer Continental Shelf energy activity; and

(ii) of a type approved by the Secretary as eligible for grants under this paragraph, except that the Secretary may not disapprove any project or program for highways and secondary roads, docks, navigation aids, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care.

(C) The prevention, reduction, or amelioration of any unavoidable loss in such state's coastal zone of any valuable environmental or recreational resource if such loss results from coastal energy activity.

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94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1427

DESIGNATING CERTAIN LANDS WITHIN UNITS OF THE NATIONAL PARK SYSTEM AS WILDERNESS; REVISING THE BOUNDARIES OF CERTAIN OF THOSE UNITS; AND FOR OTHER PURPOSES

AUGUST 13, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H.R. 13160]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 13160) To designate certain lands within units of the National Park System as wilderness; to revise the boundaries of certain of those units; and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

Page 2, lines 1 and 2, strike out "twenty-two thousand seven hundred and twenty-seven" and insert "twenty-three thousand two hundred and sixty-seven".

Page 2, line 4, strike out "315–20,014–A and dated February 1976," and insert "315–20,014–B and dated May 1976,".

Page 2, line 5, strike out "wilderness." and insert "Wilderness."

Page 2, line 19, strike out "Wilderness." and insert "National Monument Wilderness."

Page 3, line 2, after "as" insert "the".

Page 3, line 3, after "Haleakala" strike the first "National".

Page 3, lines 18 and 19, strike out "four hundred and seventeen thousand six hundred" and insert "four hundred and twenty-nine thousand six hundred and ninety".

Page 3, lines 22 and 23, strike out "156–20,003–C and dated February 1976," and insert "156–20,003–D and dated May 1976,".

Page 4, lines 15 and 16, strike out "acres, and potential wilderness additions comprising ten acres," and insert "four hundred acres,".

Page 4, line 18, strike out "151–20,003–C and dated February" and insert "151–20,003–D and dated May".

Page 5, line 22, strike out "suparagraphs" and insert "subparagraphs".

Page 6, line 2, strike out "Keeweenaw" and insert "Keweenaw".

Page 8, at the end of line 3, add a new sentence reading as follows: "No funds authorized to be appropriated pursuant to this Act shall be available prior to October 1, 1977."

Page 10, following line 7, insert "effective date of the Wilderness Act shall be deemed to be a reference to the".

Purpose

H.R. 13160,[1] as amended by the Committee on Interior and Insular Affairs, provides for the designation of a major portion of the lands in ten units of the National Park System as wilderness. The bill also provides for certain specified management activities to occur on these wilderness lands, makes exterior boundary adjustments for two areas, and directs a suitability study to be made for possible future wilderness designation of certain National Forest lands.

Background and Need for Legislation

After careful deliberation, the Congress in 1964 enacted the Wilderness Act. Among other provisions, the Act, as related to the National Park System, directed that all roadless areas of 5,000 contiguous acres or more be reviewed, and reports thereon be made, as to their suitability or nonsuitability for preservation as wilderness. The report and study period was to be completed in no more than ten years, with periodic reporting to occur at prescribed intervals. Upon termination of the 10 years review period, the National Park Service had studied and the President had recommended to the Congress with regard to all areas within the National Park System deemed qualified for study, except for Mount McKinley National Park, Alaska, upon which the study has been deferred pending possible enlargement of the park pursuant to the Alaska Native Claims Settlement Act of December 18, 1971.

Extensive field hearings were held in the process of formulating the Service recommendations. The Congress now has a number of these recommendations before it for its consideration. Only by specific act of Congress can a wilderness be designated. In each case, such action principally constitutes a specific form of land classification of the acreage, with the consequence being that the very highest order of Federal resource protection is bestowed on these lands. National Park wilderness designation is simply a classification of the land superimposed on the area so identified. It does not change the earlier designation of a park, monument, or related area but rather superimposes another classification upon it so as to provide an even higher level of resource protection, and a near absolute curtailment of development. By activation of the relevant provisions of the 1964 Wilderness Act, and application of other general and specific laws related to the National Park System and to the individual park unit, including the provisions of any specific legislation establishing a wilderness area within it, the Congress gives the resource the maximum protection possible. When the imprint of man himself becomes too severe, limitations on his numbers and methods of use may be imposed, to assure wilderness character of the area.

[1] *Sponsors of H.R. 13160:* Mr. Taylor of North Carolina, Messrs. Johnson, Calif., Kastenmeier, Kazen, Stephens, Bingham, Meeds, Sebelius, Skubitz, Don H. Clausen, Ruppe, Bauman, Lagomarsino, Evans of Colo., Udall, Mrs. Pettis, Messrs. Lujan, and Talcott. *Other bills before the Committee covered by the same subject matter include:* H.R. 1088—Mr. Talcott; H.R. 2726—Mr. Ruppe; H.R. 3185, H.R. 3186—Mr. Udall; H.R. 7169, H.R. 7171, H.R. 7175, H.R. 7184, H.R. 7187, H.R. 7189, H.R. 7190, H.R. 7192, H.R. 7200—Mr. Sebelius; H.R. 12061—Mrs. Pettis.

National Park Service wilderness proposals have embodied the concept of "potential wilderness addition" as a category of lands which are essentially of wilderness character, but retain sufficient nonconforming structures, activities, uses or private rights so as to preclude immediate wilderness classification. It is intended that such lands will automatically be designated as wilderness by the Secretary by publication of notice to that effect in the Federal Register when the non-conforming structures, activities, uses or private rights are terminated.

Legislative History

In November 1975, the Subcommittee on National Parks and Recreation conducted hearings on the ten areas encompassed by this bill. Hearings had also been held on the identical ten areas during the 93rd Congress, with markups accomplished on certain individual bills, but no action was completed by the House on any areas prior to adjournment. Hence, the hearing record on these areas is quite extensive, and particularly contains rather thorough documentation of National Park Service intentions in terms of its proposed management of these areas to be designated as wilderness.

In February 1976, the Subcommittee developed an omnibus bill, which embraces all ten proposed wilderness areas. Although the Committee spent considerable time in deliberating the acreages to be designated as wilderness, it should be understood that there is no intention that the lands not so designated would undergo intensive development. For example, wilderness boundaries were not located along the very edges of park roads, but this does not mean that the Committee anticipates those bordering lands to be developed. National Park Service management should instead continue to manage each park unit to preserve its primitive character.

The Committee also discussed the matter of specifying by legislation the special management practices which might be permitted within each wilderness area. While such special language was included for many of the areas in H.R. 13160, it is understood that similar management practices may be appropriate in other wilderness areas, whenever a situation exists that requires an activity such as prescribed burning to be carried out as part of a management program to maintain the resources of the area.

Wilderness Areas

Because of the occasionally differing application of wilderness designation to each specific area, and the special considerations entailed, a brief comment follows on each:

Bandelier National Monument, New Mexico

Bandelier National Monument encompasses 29,661 acres of steep walled canyons and mesas covered with ponderosa and pinyon pines, juniper and douglas fir. The area is rich in archaeological sites, and

was established in 1916 principally to preserve the relics of Pueblo communities of the period 1200–1500 A.D. The monument is principally undeveloped and is becoming an increasingly more popular area for hikers and backpackers.

The proposed wilderness comprises 23,267 acres and includes as wilderness the 540 acre Shrine of the Stone Lions enclave, earlier proposed for non-wilderness status by the National Park Service. In including this area within the wilderness, the Committee recognized that existing facilities deemed essential for the management of the area as wilderness and for continued or intensified archaeological work could be retained, and that the National Park Service would continue the necessary management activities as required to study and protect the significant archeological features of this area. Action may also need to be taken along the banks of the new Cochiti reservoir to minimize any adverse intrusion on the adjacent wilderness from this source.

The Committee provided specific language in the bill to authorize the Secretary to undertake such minimum activities as are necessary to investigate and stabilize sites of archeological interest within the wilderness.

Black Canyon of the Gunnison National Monument, Colorado

Black Canyon of the Gunnison National Monument is characterized by the precipitous canyon cut by the Gunnison River, and a landscape of generally primitive character. The proposed wilderness would embrace 11,180 acres of the 13,672 acre monument.

Chiricahua National Monument, Arizona

Chiricahua National Monument comprises 10,648 acres of balanced rocks, massive cliffs, and rock spires, along with grassland, forest and chaparral of the Mexican Plateau. Most of the monument—9,440 acres—is proposed for wilderness designation, and two additional acres, proposed as potential wilderness addition, will become wilderness upon acquisition.

Great Sand Dunes National Monument, Colorado

Great Sand Dunes National Monument contains spectacular high dunes of sand piled at the base of the forested and snow-capped Sangre De Cristo Mountains. The monument contains 36,826 acres. 33,450 acres of which are proposed as wilderness, with 670 acres proposed as potential wilderness addition. The Committee added some acreage along the west side of the monument entrance road in addition to that proposed by the National Park Service, bringing the wilderness boundary closer to that roadway. The Committee recognized the possible need for the National Park Service to utilize motorized vehicles along certain parts of the monument boundary to maintain fencing for protection of the monument from trespass of domestic livestock, and provided specific language authorizing this activity.

Haleakala National Park, Hawaii

Haleakala National Park contains 27,823 acres and was established to protect the huge Haleakala volcanic crater and the remarkable rain forest of the Kipahulu Valley. Approximately 19,270 acres is proposed for designation as wilderness, with 5,500 acres as potential wilderness addition. When the Federal government gains full title to these lands, they will automatically gain wilderness status. The Committee retained three small non-wilderness enclaves containing cabins used by hikers which do not conform to the wilderness concept. It took this action after being informed by the National Park Service that there would be no expansion of these facilities and with the understanding that future activities within these enclaves would be conducted in a manner as compatible as possible with the contiguous wilderness area.

Isle Royale National Park, Michigan

Isle Royale National Park is one of the very prime wilderness parks of the entire National Park System. Being forty five miles long and up to nine miles across, it is the largest, essentially primitive, island archipelago in the waters of Lake Superior. The park islands constitute a 133,786-acre land base, which together with submerged lands 4½ miles offshore, bring the total area in the park to 539,279 acres.

Except for necessary visitor use developments located on the shores at both ends of the island, and occasional clusters of trailside shelters along the shoreline elsewhere, the island is totally primitive and undeveloped except for its trail system.

The Committee proposes that 131,880 acres be designated as wilderness, with 231 acres designated as potential wilderness additions. All developments of any type are excluded from the proposed wilderness area. There are approximately 20 existing trailside shelters, however, which are included in areas of potential wilderness addition, and these areas shall become wilderness when the shelters are no longer needed. Other potential wilderness additions bearing more substantial development or retention of private rights will likewise convert to wilderness status when the non-conforming uses or rights are terminated.

The Committee chose to recognize by special language, the permissibility of (1) the construction and maintenance of boat docks along the lakeshore as long as their purpose is for safety of visitors and the protection of the wilderness resource, (2) the maintenance of an existing power transmission line, and (3) the pursuit of prescribed burning for the perpetuation of a natural ecosystem.

Throughout the deliberations on Isle Royale, it was stated that the park, in general, and the prospective wilderness in particular, is substantially at its optimum visitor carrying capacity, and any further concentration of use should be promptly and properly controlled.

With regard to the Gull Islands addition, it was the Committee's understanding and intention that these lands would promptly be transferred by the Secretary from the Bureau of Land Management to the National Park Service.

Much greater detailed history of the Committee's concerns and intentions with regard to wilderness designation and the related general management of Isle Royale National Park can be found in the Committee Report (Number 93–1636) of the 93rd Congress accompanying H.R. 4860.

Joshua Tree National Monument, California

Joshua Tree National Monument was established to perpetuate the outstanding geological features and plant and animal life of both the high and low desert ecosystems. Of the 559,959 acres in the monument, 429,690 acres are proposed for wilderness and 37,550 acres are proposed for potential wilderness addition. With the recent land acquisition progress exhibited here, it is anticipated that a significant

amount of the potential wilderness addition acreage will soon be acquired and will then convert to wilderness status.

The Committee chose to adjust the boundary proposed by the National Park Service in numerous places. Most of these changes were in the nature of additions rather than deletions.

A boundary adjustment in the Indian Cove area is designed to exclude the existing maintenance area from the wilderness, but the wilderness line is located on the very edge of the maintenance area on its east and north sides.

In the Desert Queen Mine area, the mine and its immediate environs are excluded from the wilderness to such degree as to permit reasonable access and interpretation of the site, but the boundary is to be closely adjacent to the site. Likewise, the continued existence of a small informal picnic area is recognized just southeast of the Desert Queen Mine, but the wilderness line is located approximately 50 feet from the edge of the existing road.

Special language was included for this wilderness recognizing the Secretary's ability to construct and maintain wildlife watering devices and to use necessary manipulative techniques to perpetuate natural ecological conditions. In the case of the wildlife watering devices, however, they are to be supplied only to the extent of aiding the maintenance and perpetuation of wildlife populations and related conditions in such manner as to compensate for the depredations resulting from man's activities, and thereby approximate conditions which might normally have been expected to exist in the absence of these adverse influences.

Mesa Verde National Park, Colorado

Mesa Verde is a particularly outstanding archaeological area of the National Park System, and is the only area of park designation which has been set aside primarily for its historic and archaeological values.

Approximately 8,100 acres of the park's 52,036 total acres are proposed for designation as wildernes. Specific language is provided authorizing the Secretary to undertake such minimum activity within the wilderness as is necessary to investigate and stabilize sites of archaeological interest.

The Committee adopted the acreage figure recommended by the National Park Service, although it was recognized that there are other areas within the park which would qualify for wilderness designation. It is understood that there is additional archaeological work to be undertaken on these lands, and the Committee anticipates that at some future time when these resources are more fully understood, the National Park Service should make further recommendations for wilderness designation.

Pinnacles National Monument, California

Pinnacles National Monument preserves an area of pinnacles and caves which formed from the earlier collapse of an ancient volcano. Much of the area is lowland foothill country and is quite brushy and difficult of access for cross country travel.

Of the 14.498 acres of the Monument, 12,952 acres are proposed for wilderness designation and 990 acres are proposed for potential wilderness addition.

H.R. 13160 would also add to the monument approximately 1,717 acres, some of which would become wilderness upon acquisition. To purchase such lands, $955,000 is authorized to be appropriated.

Saguaro National Monument, Arizona

Saguaro National Monument was established to perpetuate the habitat of the giant Saguaro cactus of the Sonoran Desert. Of the 78,917 total acres within the Monument, the Committee proposes that 71,400 acres should be designated as wilderness. The Committee deleted the National Park Service proposed 10 acre non-wilderness enclave for Manning Camp, and included it as wilderness with the understanding that all structures and non-conforming activities, other than the old historic cabin, will be promptly removed and the site restored to its natural condition. The Committee also included within the wilderness an additional 390 acre tract in the northwestern portion of the Rincon Mountain District.

The Committee also recommended a provision directing the Secretary of Agriculture to study and report to the Congress within 2 years as to the suitability or nonsuitability of wilderness designation for an area within the Coronado National Forest adjacent to Saguaro National Monument.

Section-by-Section Analysis

Section 1 consists of a series of paragraphs which designate wilderness and potential wilderness addition acreages of the specific areas in accordance with the provisions of the Wilderness Act. Specific map references are included for each unit so designated.

The ten areas, and the acreages designated in each case, are as follows:

1. Bandelier National Monument, 23,267 acres;
2. Black Canyon of the Gunnison National Monument, 11,180 acres;
3. Chiricahua National Monument, 9,440 acres, plus a potential wilderness addition of 2 acres;
4. Great Sand Dunes National Monument, 33,450 acres, plus a potential wilderness addition of 670 acres;
5. Haleakala National Park, 19,270 acres, plus potential wilderness additions of 5,500;
6. Isle Royale National Park, 131,880 acres, plus potential wilderness additions of 231 acres;
7. Joshua Tree National Monument, 429,690 plus potential wilderness additions of 37,550 acres;
8. Mesa Verde National Park, 8,100 acres;
9. Pinnacles National Monument, 12,952 acres, plus potential wilderness additions of 990 acres; and
10. Saguaro National Monument, 71,400 acres.

Section 2 provides that the map and boundary description which detail each wilderness designation made in section 1 will be on file and available for inspection in the National Park Service offices in Washington, D.C., and in each appropriate area. Copies of the maps and descriptions will also be provided to the Interior and Insular Affairs Committees of the Congress. The maps and descriptions are

to serve as the statutory boundaries for the wilderness designations, with the qualification that clerical and typographical errors may be corrected.

Section 3 permits the designation as wilderness of any of those lands referred to as potential wilderness additions, upon a notice being published by the Secretary in the Federal Register stating that all uses prohibited by the Wilderness Act have ceased on the lands so designated.

Section 4 revises the boundaries of Isle Royale National Park and Pinnacles National Monument. The authorizing legislation for Isle Royale is specifically amended to include an additional land and water area. The Secretary is also authorized to acquire by donation any of the submerged lands within the park boundary.

A total of 1717.9 acres is added to Pinnacles National Monument, and a township description of the newly authorized lands is included. The Secretary may make minor revisions in the boundary as needed, subject to an acreage limitation for the monument of 16,000 acres. No lands designated as wilderness may be excluded under this authority. The monument is to be managed under the terms of the enabling Act of the National Park Service.

The Secretary is to have full authority to acquire the newly authorized lands, except that state-owned lands may be acquired only by donation. To acquire the newly authorized area, $955,000 is authorized to be appropriated.

Section 5 contains various specific authorities for the Secretary to undertake certain named management actions on various wilderness lands designated by this Act.

Section 6 directs the Secretary of Agriculture to conduct a wilderness review of certain identified lands in the Coronado National Forest adjacent to Saguaro National Monument. The recommendations of the President with regard to the results of this study are to be sent to the Congress within two years of the date of enactment of this legislation. The study is to be conducted in accordance with the provisions of the Wilderness Act, and the Secretary will give at least 60 days notice of any public meeting on the study.

Section 7 provides that the wilderness designated in this Act will be managed in accordance with the Wilderness Act, except that appropriate date references in that Act shall be to the effective date of this legislation, and that appropriate and relevant references to the Secretary of Agriculture shall be considered to be to the Secretary of the Interior.

Cost

H.R. 13160, as reported, entails no costs and authorizes no appropriations, except for Pinnacles National Monument, California, where $955,000 is authorized for lands to be acquired in accordance with an exterior boundary adjustment. Lands added to Isle Royale National Park, Michigan, are to be acquired only by donation.

Budget Act Compliance

As H.R. 13160 is primarily intended to impose a specific management classification on existing federal lands, the budgetary implications of this legislation are minimal. Only at Pinnacles National Monument is an additional authorization of $955,000 made to acquire additional lands. Actual appropriations in this case would come from the Land and Water Conservation Fund.

Inflationary Impact

The only additional expenditures made as a result of enactment of this legislation would be the Pinnacles National Monument land acquisition. Inflationary impacts resulting from a purchase program of this size would be negligible.

Oversight Statement

Although the hearings conducted on the proposed wilderness designations included in H.R. 13160 were legislative in nature, there were extended discussions regarding the ongoing management of the affected park units. Committee members explored several areas of interest regarding the continued protection of these lands, as well as the management actions which would continue to be exercised within the designated wilderness. No recommendations were submitted to the committee pursuant to rule X, clause 2(b)(2).

Committee Amendments

The Committee adopted several technical amendments to correct printing errors in the bill, as well as to make certain clarifying changes.

In addition, acreage modifications were made to include additional lands within the wilderness designations for Bandelier, Joshua Tree, and Saguaro National Monuments. These amendments conform to the descriptions given for the individual areas as discussed elsewhere in this report.

Committee Recommendation

On June 9, 1976, the Committee on Interior and Insular Affairs, meeting in open session, reported H.R. 13160, as amended, by voice vote, and recommends that the bill as amended be enacted.

Departmental Reports

The reports of the Department of the Interior on all of the individual bills which were combined as H.R. 13160, as well as the reports of the Department of Agriculture with respect to the proposals for Chiricahua and Saguaro National Monuments, are here printed in full, in alphabetical order:

Bandelier National Monument

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., November 6, 1975.

Hon. James A. Haley,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: This responds to your request for the views of this Department on H.R. 4197 and H.R. 7169, similar bills "To

designate certain lands in the Bandelier National Monument, New Mexico, as wilderness."

We recommend enactment of either bill if amended as suggested herein.

H.R. 4197 would designate as wilderness approximately 22,030 acres within the Bandelier National Monument, depicted on a map entitled "Wilderness Plan, Bandelier National Monument, New Mexico," numbered 315–20,014 and dated January 1974.

H.R. 7169 designates as wilderness approximately 21,110 acres within the national monument, depicted on a map entitled "Wilderness Plan, Bandelier National Monument, New Mexico," numbered 315/20,003–A and dated July 1972. Section 4 of H.R. 7169 authorizes the Secretary of the Interior to undertake minimum activity necessary in order to investigate and stabilize sites of archeological interest within the wilderness.

On November 28, 1973, the President transmitted to Congress a proposal to designate as wilderness 21,110 acres in the Bandelier National Monument depicted on the map entitled "Wilderness Plan, Bandelier National Monument, New Mexico, numbered 315/20,003–A, dated July 1972. This recommendation provided authorization to the Secretary to undertake necessary activity within the wilderness with regard to sites of archeological interest. On March 22, 1974, in hearings held before the House Subcommittee on Parks and Recreation, on H.R. 13562, an omnibus wilderness bill, this Department testified that we had re-examined the wilderness potential of the lands omitted from the President's November 28, 1973, recommendation, and we had determined that an additional 920 acres adjacent to the Cochiti Reservoir qualified as wilderness. We recommended that this 920 acres be added to the Bandelier National Monument, bringing the total wilderness to be designated to 22,030 acres. This acreage is depicted on a map entitled "Wilderness Plan, Bandelier Monument, New Mexico, numbered 315–20,014, dated January 1974.

H.R. 7169 incorporates the November 28, 1973, recommendation, and H.R. 4197 incorporates the recommendation of March 22, 1974. Accordingly, we recommend that section 1 of H.R. 7169 be deleted, and the following language be substituted in lieu thereof:

"That, in accordance with section 3(c) of the Wilderness Act (78 Stat. 16 U.S.C. 1132(c)), certain lands in the Bandelier National Monument, New Mexico, which comprise approximately twenty-two thousand and thirty acres, and which are depicted on the map entitled 'Wilderness Plan, Bandelier National Monument, New Mexico', numbered 315–20,104, and dated January 1974, are hereby designated as wilderness. The map and a description of the boundaries of such land shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior."

H.R. 4197 does not provide authority for the Secretary to undertake minimum activity within the wilderness with respect to sites of archeological interest. Therefore, we recommend that a section 4 identical to section 4 of H.R. 7169, which provides such authority, be added to H.R. 4197.

Finally we note that the reference in section 3 of both bills to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. Thus, we recommend

that section 3 of both bills be stricken, and the following language substituted in its place:

"SEC. 3. The wilderness area designated by this Act shall be known as the 'Bandelier Wilderness' and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior."

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

NATHANIEL REED,
Assistant Secretary of the Interior.

Black Canyon of the Gunnison National Monument

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 7171 a bill, "To designate certain lands in the Black Canyon of the Gunnison National Monument, Colorado, as wilderness."

We recommend that the bill be enacted if amended as suggested herein.

H.R. 7171 would designate as wilderness approximately 8,780 acres within the Black Canyon of the Gunnison National Monument, Colorado, depicted on a map entitled "Black Canyon of the Gunnison National Monument, Montrose County, Colorado, Wilderness Plan," numbered 114–20016 and dated May 1971.

On February 8, 1972, the President transmitted to the Congress proposed legislation to designate as wilderness 8,780 acres within the Black Canyon of the Gunnison National Monument as wilderness. In a report to the House Committee on Interior and Insular Affairs, dated April 12, 1974, on H.R. 13562, an omnibus wilderness bill, this Department indicated that after re-examination of the wilderness potential of lands omitted from the President's February 8, 1972, recommendation, we had determined that an additional 2,400 acres along the northwest and southeast boundaries of the monument qualified as wilderness. We recommended that this 2,400 acres be added to the national monument, bringing the total wilderness to be designated ot 11,180 acres. This acreage is depicted on the same map as the February 8, 1972, proposal.

H.R. 7171 incorporates the February 8, 1972, recommendation, but does not contain the April 12, 1974, additions. Accordingly, we recommend that the words "eight thousand seven hundred and eighty" on lines 6 and 7 of page 1 of the bill be deleted, and the words "eleven thousand one hundred and eighty" be substituted in their place.

Further, we would note that the reference in section 3 of H.R. 7171 to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. Therefore, we recommend that section 3 of the bill be stricken and the following language inserted in its place:

"SEC. 3. The wilderness area designated by this Act shall be known as 'Black Canyon of the Gunnison Wilderness' and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior."

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

Chiricahua National Monument

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on two similar bills: H.R. 3186, a bill "To designate as wilderness certain lands within the Chiricahua National Monument in the State of Arizona," and H.R. 7175, a bill " To designate certain lands in the Chiricahua National Monument, Arizona, as wilderness."

We recommend the enactment of either H.R. 3186 or H.R. 7175 if amended as suggested herein.

H.R. 3186 would designate as wilderness approximately 9,440 acres within the Chiricahua National Monument, Arizona, depicted on a map entitled "Wilderness Plan, Chiricahua National Monument, Arizona," numbered 145–20,007–A and dated September 1973.

H.R. 7175 would designate as wilderness approximately 6,925 acres within the national monument, depicted on a map entitled "Chiricahua National Monument, Arizona, Wilderness Plan," numbered 145–20,006 and dated December 1971.

On February 8, 1972, the President transmitted to Congress a recommendation that 6,925 acres within the Chiricahua National Monument be designated wilderness. That recommendation has been incorporated into H.R. 7175.

Subsequent to the President's recommendation, this Department re-examined the wilderness potential of the lands omitted from that recommendation, and determined that an additional 2,515 acres qualified as wilderness, and a 2-acre tract at the northeast corner of the monument qualified as potential wilderness. In a report to the House Committee on Interior and Insular Affairs, dated April 12, 1974, on H.R. 13562, an omnibus wilderness bill, we recommended that this

2,515 acres be added to the Chiricahua National Monument, bringing the total wilderness to be designated to 9,440 acres, and that the 2-acre tract be added as potential wilderness.

While H.R. 3186 contains this Department's April 12, 1974, recommendation with regard to the 9,440 acres, and references the correct map, it does not contain our recommended 2-acre tract of potential wilderness. H.R. 7175 contains the February 8, 1972, recommendation, but does not incorporate the 1974 editions. Accordingly, we recommend that section 1 of the two bills be deleted and the following language inserted in lieu thereof:

"That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Chiricahua National Monument, Arizona, which comprise about 9,440 acres and which are depicted on the map entitled 'Wilderness Plan, Chiricahua National Monument Arizona,' numbered 145–20,007–A and dated September 1973 are hereby designated as wilderness. Certain other lands in the park, which comprise about 2 acres and which are designated on such map as 'Potential Wilderness Additions,' are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness. The map and a description of the boundaries of such lands shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior."

Further, we note that the reference in section 3 of both H.R. 3186 and H.R. 7175 to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. This language does not conform entirely with language customarily used by this Department in its wilderness draft legislation. We therefore recommend that section 3 of both bills be stricken, and the following be substituted in its place:

"SEC. 3. The wilderness area designated by this Act shall be known as the 'Chiricahua Wilderness' and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., February 27, 1976.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: We would like to offer our views on H.R. 7175, a bill "To designate certain lands in the Chiricahua National Monument, Arizona, as wilderness."

The Department of Agriculture defers to the Department of the Interior for a recommendation on whether H.R. 7175 should be enacted. However, we recommend that if the area described in the bill is designated as wilderness, it should not be known as the "Chiricahua Wilderness", because there is already a Chiricahua Wilderness nearby.

H.R. 7175 would designate certain lands comprising about 6,925 acres in the Chiricahua National Monument as wilderness in accordance with section 3(c) of the Wilderness Act. The area so designated would be known as the "Chiricahua Wilderness", and it would be administered by the Secretary of the Interior.

The 18,000-acre Chiricahua Wild Area within the Coronado National Forest was designated in 1933 by the Chief of the Forest Service under the Secretary of Agriculture's Regulation U–2. This area became the Chiricahua Wilderness and a unit of the National Wilderness Preservation System with the passage of the Wilderness Act (78 Stat. 890) in 1964. The Chiricahua National Monument adjoins the Coronado National Forest on the north, east, and south. The new Chiricahua Wilderness that would be designated by H.R. 7175 within the National Monument would be about 8 miles north of the existing Chiricahua Wilderness within the National Forest. We believe that much public and administrative confusion could be avoided by selecting another name for the wilderness proposed by H.R. 7175.

Sincerely,

JOHN A. KNEBEL,
Acting Secretary.

Great Sand Dunes National Monument

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 7184, a bill "To designate certain lands in the Great Sand Dunes National Monument, Colorado, as wilderness."

We recommend that the bill be enacted if amended as suggested herein.

H.R. 7184 would designate as wilderness approximately 32,930 acres within the Great Sand Dunes National Monument, Colorado, depicted on the map entitled "Wilderness Plan, Great Sand Dunes National Monument, Colorado," numbered 140–20,006–A and dated August 1972. Certain lands within the national monument comprising about 670 acres, and depicted on such map as "Potential Wilderness Additions" shall be designated wilderness when the Secretary of the Interior determines that all uses thereon inconsistent with wilderness have ceased. Section 4 of the bill authorizes the Secretray to use motorized vehicles to maintain fencing for the protection of the area from domestic livestock incursion.

On September 21, 1972, the President transmitted to the Congress a proposal to designate as wilderness 32,930 acres within the Great Sand Dunes National Monument, and 670 acres within the national monument as potential wilderness. The proposal also provided authorization

for the Secretary to use motorized vehicles to maintain fences for protection of the area from livestock. H.R. 7184 incorporates the September 21, 1972, recommendation.

We would note, however, that the reference in section 3 of the bill to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. Accordingly, we recommend that section 3 of H.R. 7184 be deleted and the following language inserted in its place:

"SEC. 3. The wilderness area designated by this Act shall be known as the "Great Sand Dunes Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary fo Agriculture shall be deemed to be a reference to the Secretary of the Interior."

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

Haleakala National Park

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 7187, a bill "To designate certain lands in the Haleakala National Park, Hawaii, as wilderness."

We recommend that the bill be enacted if amended as suggested herein.

H.R. 7187 would designate as wilderness approximately 19,270 acres in the Haleakala National Park, Hawaii, depicted on the map entitled "Wilderness Plan, Haleakala National Park, Hawaii," numbered 162-20006–A and dated July 1972. Certain other lands within the national park which comprise about 5,500 acres, and designated on such map as "Potential Wilderness Additions," shall become wilderness when the Secretary of the Interior determines that all uses thereon inconsistent with wilderness have ceased.

On September 21, 1972, the President transmitted a proposal to Congress to designate 19,270 acres within the Haleakala National Park as wilderness, and 5,500 acres within the park as potential wilderness. H.R. 7187 incorporates that September 21, 1972 recommendation.

We would note, however, that the reference in section 3 of H.R. 7187 to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. Accordingly, we recommend that section 3 be deleted and the following language be inserted in lieu thereof:

"SEC. 3. The wilderness area designated by this Act shall be known as the 'Haleakala Wilderness' and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior."

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

Isle Royale National Park

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to the request of your Committee for the views of this Department on H.R. 2726, a bill "To designate certain lands in the Isle Royale National Park in Michigan, as wilderness."

We recommend enactment of H.R. 2726, if the bill is amended as described herein.

H.R. 2726 would designate a total of approximately 131,938 acres within the Isle Royale National Park, as a wilderness area. It would designate an additional 231 acres within the Isle Royale National Park as potential wilderness. The bill would permit the construction and maintenance of boat docks for public safety, the maintenance of an existing power transmisison line, and the pursuance of a program of prescribed burning within that wilderness. The bill would provide for the filing of a map of the wilderness area and a description of its boundaries with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives. It would also provide for administration of the wilderness by the Secretary of the Interior in accordance with appropriate provisions of the Wilderness Act. In addition, H.R. 2726 would amend the Act of March 6, 1942 (56 Stat. 138), to add to the park the Gull Islands, containing approximately six acres, and which would be included in the wilderness, and all submerged lands within the territorial jurisdiction of the United States and located within 4½ miles of Isle Royale, Passage Island and the Gull Islands.

On April 28, 1971, the President recommended to the Congress that certain acreage within the Isle Royale National Park be designated as a wilderness within the National Wilderness Preservation System. Since 1971, we have reexamined the wilderness potential of lands excluded from the original proposal. We have determined that approximately 131,880 acres should be immediately designated as wilderness and that approximately 231 acres should be designated as potential wilderness or as wilderness, as soon as certain nonconforming uses are terminated.

We recommend the enactment of H.R. 2726, if the following amendment is made.

Section 1 of H.R. 2726 should be deleted in its entirety and a new section 1 inserted in lieu thereof, to read:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, in accordance with section 3(c) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132(c)), certain lands in the Isle Royale National Park, Michigan, which comprise approximately one hundred thirty-one thousand eight hundred and eighty acres, and which are depicted on the map entitled 'Wilderness Plan, Isle Royale National Park, Michigan,' numbered 139–20–004, and dated December 1974, are hereby designated as wilderness. The lands which comprise approximately two hundred and thirty-one acres, designated by such map as 'Potential Wilderness Additions,' effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, are hereby designated as wilderness: *Provided, however*, That within the wilderness area designated by this Act, the Secretary may, as he deems necessary, (a) maintain existing boat docks for the safety of visitors and the protection of the wilderness resource, and construct new boat docks at relocated campsites in the event that present campsites need to be relocated, (b) maintain an existing power transmission line in the vicinity of Rock Harbor and Mount Ojibway, and (c) pursue a program of prescribed burning in order to preserve the area in its natural condition."

This new section 1 would designate approximately 131,880 acres as wilderness, and approximately 231 acres as potential wilderness within Isle Royale National Park. It would permit the construction of new boat docks, under certain circumstances, and maintenance of existing boat docks for the protection of the wilderness resource; the maintenance of an existing power transmission line; and the pursuance of a program of prescribed burning within the new wilderness area.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

CURTIS BOHLEN,
Acting Assistant Secretary of the Interior.

Joshua Tree National Monument

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., Nov. 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Reprsentatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 7190, a bill "To designate certain lands in the Joshua Tree National Monument, California, as wilderness."

We recommend that the bill be enacted if amended as suggested herein.

H.R. 7190 would designate as wilderness approximately 372,700 acres within the Joshua Tree National Monument, California, which are depicted on the map entitled "Wilderness Plan, Joshua Tree Nationl Monument, California," numbered 156–20003 and dated July 1972. Approximately 66,800 acres, designated on such map as "Wilderness Reserve" will be designated wilderness when the Secretary of the Interior determines that all nonconforming uses thereon have ceased. The bill includes authorization for special activities in wilderness namely the construction and maintenance of wildlife watering devices and provision for the use of necessary manipulative techniques in order to maintain natural ecological conditions.

On November 28, 1973, the President transmitted to Congress a proposal to designate 372,700 acres within the Joshua Tree National Monument as wilderness, and 66,800 acres within the national monument as potential wilderness. The proposal also provided authorization for sepcial activities in wilderness. This proposal has been introduced as H.R. 7190.

We would note that the reference in section 3 of H.R. 7190 to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. Accordingly, we recommend that section 3 be stricken and the following be substituted in its place:

"SEC. 3. The wilderness area designated by this Act shall be known as the 'Joshua Tree Wilderness' and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior."

The Office of Manageemnt and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

Mesa Verde National Park

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 7192, a bill "To designate certain lands in the Mesa Verde National Park, Colorado, as wilderness."

We recommend that the bill be enacted if amended as suggested herein.

H.R. 7192 would designate as wilderness approximately 8,100 acres within the Mesa Verde National Park, Colorado, approximately 8,100 acres, which are depicted on the map entitled "Wilderness Plan, Mesa Verde National Park, Colorado," numbered 307–20007–A and dated

September 1972. Under section 4 of the bill the Secretary of the Interior may undertake minimum activity necessary in order to investigate and stabilize sites of archeological interest within the wilderness designated by H.R. 7192.

On November 28, 1973, the President transmitted to the Congress a recommendation that 8,100 acres within the Mesa Verde National Park be designated as wilderness. The recommendation provided for minimum activity by the Secretary to investigate and stabilize sites of archeological interest within such wilderness. This November 28, 1973, recommendation has been incorporated into H.R. 7192.

However, we would note that the reference in section 3 of H.R. 7192 to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. Accordingly, we recommend that section 3 be deleted and the following language be inserted in lieu thereof:

"SEC. 3. The wilderness area designated by this Act shall be known as the 'Mesa Verde Wilderness' and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

Pinnacles National Monument

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 6, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 1088 and H.R. 7197, similar bills "To designate certain lands in the Pinnacles National Monument, California, as wilderness."

We recommend the enactment of H.R. 7197 in lieu of H.R. 1088.

H.R. 1088 would designate as wilderness within the Pinnacles National Monument, California, certain lands comprising 11,300 acres as depicted on a map entitled "Wilderness Plan Pinnacles National Monument, California," numbered NM–PIN–91,000 and dated August 1970. The bill provides that only those commercial services may be authorized and performed within the wilderness as deemed proper for realizing recreational or other wilderness purposes. Roads and use of motorized vehicles or other mechanized transport, or construction of structures or installations, would be prohibited within the wilderness, except as necessary to meet minimum management requirements including emergencies.

H.R. 7197 would designate as wilderness within the Pinnacles National Monument approximately 10,980 acres, depicted on the map enttiled "Recommended Wilderness, Pinnacles National Monument, California," numbered 114–20,000 and dated June 1973. Certain other lands in the monument which comprise about 320 acres, and which are designated on such map as "Potential Wilderness Addition," shall become wilderness when the Secretary of the Interior has determined that all nonconforming uses thereon have ceased.

On April 1, 1968, the President recommended to the Congress that 5,330 acres within the Pinnacles National Monument be designated wilderness. Following this Department's re-evaluation of the wilderness potential of lands excluded from the recommendation, the President, on June 13, 1974, transmitted to the Congress a revised recommendation comprising 10,980 acres of wilderness and 320 acres of potential wilderness. This revised recommendation is depicted on a map numbered 114–20,000 and dated June 1973.

The June 13, 1974, recommendation has been incorporated into H.R. 7197, and we urge that it be enacted.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

NATHANIEL REED,
Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 7209, a bill "To designate certain lands in the Pinnacles National Monument, California, as wilderness, to revise the boundaries of such monument, and for other purposes."

H.R. 7209 would designate as wilderness approximately 13,590 acres within the Pinnacles National Monument, California, depicted on the map entitled "Wilderness Plan, Pinnacles National Monument," numbered 114–20,010–B and dated April 1975. However, each tract identified on the map as "wilderness reserve" will be designated wilderness subject only to the acquisition by the Secretary of the Interior.

Section 2 of the bill would increase the size of the national monument by 1,456 acres, for a new total park acreage of 15,954.51 acres.

On April 1, 1968, the President recommended to the Congress that 5,330 acres within the Pinnacles National Monument be designated wilderness. Following this Department's re-evaluation of the wilderness potential of lands excluded from the recommendation, the President, on June 13, 1974, transmitted to the Congress a revised recommendation comprising 10,980 acres of wilderness and 320 acres of potential wilderness.

H.R. 7209 would enlarge upon the 10,980-acre wilderness recommendation by including the western most portion of the Chalone Creek Road known now as the Balconies Trail, an area north of Bear Gulch

where a telephone line was located; the Bear Gulch Dam and Reservoir, an area on the west side of the monument where a generator site was formerly located; and by drawing the wilderness line closer to the north Chalone Peak Lookout Road. The bill would establish 12,880 acres as wilderness with another 710 acres identified as wilderness reserve.

The National Park Service presently has a proposed master plan for the monument which contemplates enlarging the boundaries of the monument. Although public hearings have been held on this plan, and all public comments have been received, the draft environmental impact statement is not yet final and the proposed master plan has not been approved. Approval of the proposed master plan would be the first stage of the Department's review of revising the monument's boundaries. After the Department has thoroughly reviewed such a recommendation, we would then be in a position to determine whether additional legislation is necessary. Accordingly, we recommend that the Committee defer its consideration of the bill until this review is completed and such a determination has been made. Consideration of the wilderness acreage in the bill, which is in addition to the 10,980 acres we presently recommended, should be deferred until we have had time for a re-examination in this review process.

We would note that the bill designates some of the lands to be added to the monument as proposed wilderness additions. We have not studied these lands outside the monument and could not comment as to whether they are in a wilderness condition. Therefore, we would recommend that these lands not be designated proposed wilderness additions at this time.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

DOUGLAS P. WHEELER,
Acting Assistant Secretary of the Interior.

Saguara National Monument

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 7, 1975.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on two similar bills: H.R. 3185, a bill "To designate certain lands in the Saguaro National Monument in the State of Arizona as wilderness, and for other purposes," and H.R. 7200 a bill "To designate certain lands in the Saguaro National Monument, Arizona, as wilderness."

H.R. 7200 is identical to the wilderness recommendation for Saguaro National Monument as transmitted by the President to the Congress on November 28, 1973, and we recommend that it be enacted, if amended as suggested herein, in lieu of H.R. 3185.

H.R. 3185 would designate as wilderness about 71,000 acres within Saguaro National Monument, Arizona, depicted on a map entitled

"Wilderness Plan—Saguaro National Monument," and dated February 1973. The tract identified on such map as "Wilderness Reserve" would be designated wilderness subject to the removal from said tract of the existing nonconforming improvements. In addition, section 4 of the bill would require the Secretary of Agriculture to review the wilderness potential of an area known as the "Rincon Wilderness Study Area" located in the Coronado National Forest adjacent to Saguaro National Monument, and would require the President, within 2 years after the date of enactment of the bill, to advise the Congress of his recommendations with respect to that area.

With regard to the merits of section 4 of the bill, we defer to the Department of Agriculture. However with respect to the provisions concerning the Saguaro National Monument, we recommend the enactment of H.R. 7200.

H.R. 3185 is at variance with H.R. 7200, the wilderness recommendation for Saguaro National Monument transmitted by the President to the Congress on November 28, 1973. H.R. 7200 would provide for designation of 42,400 acres of wilderness depicted on a map entitled "Wilderness Plan, Saguaro National Monument, Arizona," numbered 151–20003–A and dated July 1972, and provided for designation of 27,100 acres of potential wilderness depicted on such map as "Wilderness Reserve." H.R. 3185 would designate an unspecified amount of wilderness reserve, and would possibly designate as immediate wilderness, much of the Department's recommended potential wilderness additions. We believe that immediate designation of portions of such potential wilderness additions should not take place at this time—those lands presently are subject to mineral rights and grazing facilities are located thereon. Thus, they do not presently meet the criteria of the Wilderness Act for designation as wilderness.

Furthermore, section 4 of H.R. 7200 provides within the subject wilderness for (1) the use of manipulative techniques necessary to maintain or restore natural ecological conditions, and (2) the use and maintenance of fire towers and radio repeaters necessary for the protection of the area. H.R. 3185 does not contain this language.

We would note that the reference in section 3 of H.R. 7200 to the effective date of the Wilderness Act serves no useful purpose relative to wilderness areas in the National Park System. This language does not conform entirely with language customarily used by this Department in its wilderness draft legislation. Accordingly, we recommend that section 3 of H.R. 7200 be deleted and the following language be substituted in its place:

"SEC. 3. The wilderness area designated by this Act shall be known as the "Saguaro Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior."

We urge that H.R. 7200, which incorporates the President's November 28, 1973, recommendation, be enacted, if amended as we suggest. As to the enactment of section 4 of H.R. 3185 we defer to the views of the Department of Agriculture.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., April 20, 1976.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: As you requested, here is our report on H.R. 3185, a bill "to designate certain lands in the Saguaro National Monument in the State of Arizona as wilderness, and for other purposes."

The Department of Agriculture recommends that section 4 of H.R. 3185 not be enacted. We defer to the Department of the Interior with regard to the merits of sections 1, 2, and 3 of the bill.

H.R. 3185 would designate as wilderness about 71,000 acres within the Saguaro National Monument, Arizona. A 10-acre tract would be designated as wilderness subject to the removal of existing nonconforming improvements. Section 4 of the bill would require the Secretary of Agriculture to review the suitability or nonsuitability of the 59,000-acre "Rincon Wilderness Study Area" located in the Coronado National Forest adjacent to the Saguaro National Monument. Section 4 would also require the President to advise the Congress of his recommendations regarding the study area within two years after enactment.

In 1973, the Forest Service completed a national inventory of all National Forest roadless and undeveloped areas containing 5,000 acres or more. Smaller roadless and undeveloped areas adjacent to primitive areas and wildernesses were also inventoried. Nationwide, 1,449 National Forest roadless areas (56 million acres) were inventoried, of which 41 areas (716,500 acres) are in Arizona. Each inventoried area was evaluated as to its potential wilderness quality and its other resource values that would be foregone by wilderness designation.

Two roadless areas were inventoried adjacent to the Saguaro National Monument and within the 59,000-acre "Rincon Wilderness Study Area." They are identified as "Last Chance" (9,000 acres) and "Wrong Peak" (5,000 acres). Neither was selected as a wilderness study area because of the evidence of man's activities and the need to improve mule deer habitat. However, no activity that would affect the wilderness character of any inventoried National Forest roadless area is permitted until thoroughly evaluated through the preparation and public review of an environmental statement.

The remainder of the proposed H.R. 3185 study area was not inventoried because any roadless and undeveloped portions that exist are smaller than 5,000 acres. In our judgment, the cumulative evidence of man's activities (e.g., jeep trails, fences, corrals, stock tanks, and spring developments) noticeably and seriously detracts from any undeveloped character that portions of the area may possess. The jeep

trails have been partially constructed; they are necessary for the maintenance of stock tanks; and they are very visible on the landscape. The stock tanks were constructed with machinery, and they must be maintained with motorized equipment. The spring developments are concrete and metal boxes and troughs that require periodic maintenance. Much of the area is now open to the use of off-road vehicles.

In Arizona, 20 roadless areas (398,500 acres) were selected as wilderness study areas. We believe these areas offer the most potential for the possible identification of additional National Forest areas that should be designated as wilderness within Arizona.

Section 4 of H.R. 3185 represents, in our view, an undesirable piecemeal approach to the study of wilderness suitability without an overview of all effects. The needed overview is provided by the Forest Service land-use planning process. This process is now underway within the Catalina Planning Unit on the north portion of the proposed study area. The eastern and southern portions are within the Rincon Planning Unit that is scheduled for study during the late 1970's. An important part of the land-use planning process is the evaluation of wilderness potential in terms of suitability, availability, and need. Upon completion of detailed studies and consideration of public comments, the land-use plans will set forth multiple-use management direction and propose wilderness designation for any areas we believe should be added to the National Wilderness Preservation System.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN A. KNEBEL,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF MARCH 5, 1942 (56 STAT. 138) AS AMENDED (16 U.S.C. 408E–H)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to valid existing rights the following-described lands, in addition to the lands established as the Isle Royale National Park pursuant to the Act of March 3, 1931 (46 Stat. 1514), are hereby made a part of the park:

(*a*) Passage Island, containing approximately one hundred and eighty-two acres, located in sections 3, 4, and 9, township 67 north, range 32 west, in Keweenaw County, Michigan: *Provided*, That the Secretary of the Navy shall retain control and jurisdiction over the following portions of the Island for lighthouse and boathouse purposes:

[(a)] (*1*) All that part of Passage Island lying south of a true east and west line located four hundred and twenty-five feet true north of the center of the Passage Island Light containing approximately six and five-tenths acres.

[(b)] (*2*) Beginning at the center of Passage Island Light, thence north thirty-three degrees fifty-two minutes east three thousand five hundred and fifteen feet to a point from which this description shall begin to measure, being the southwest corner of said boathouse site; thence north two hundred feet to a point being the northwest corner of said site; thence east one hundred and seventy-five feet more or less to the harbor shore; thence southeasterly following the harbor shore to a point on the shore being a point on the south boundary of the boathouse site; thence two hundred feet more or less west to the point of beginning, containing approximately seventy-eight one hundredths acre.

[c] (*3*) A right-of-way between the sites described in the preceding subparagraphs, to be defined by the Secretary of the Navy within a reasonable length of time after the approval of this Act.

(*b*) *Gull Islands, containing approximately six acres, located in section 19, township 68 north, range 31 west, in Keweenaw County, Michigan.*

* * * * * * *

SEC. 3. The boundaries of the Isle Royale National Park are hereby extended to include any submerged lands within *the territorial jurisdiction of the United States within* four and one-half miles of the shoreline of Isle Royale and the [immediately] surrounding islands, *including Passage Island and the Gull Islands*, and the Secretary of the Interior is hereby authorized, in his discretion, to acquire title by donation to any such lands not now owned by the United States, the title to be satisfactory to him.

○

H. R. 13160

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the nineteenth day of January, one thousand nine hundred and seventy-six

An Act

To designate certain lands within units of the National Park System as wilderness; to revise the boundaries of certain of those units; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 3(c) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132(c)), the following lands are hereby designated as wilderness, and shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act:

(a) Bandelier National Monument, New Mexico, wilderness comprising twenty-three thousand two hundred and sixty-seven acres, depicted on a map entitled "Wilderness Plan, Bandelier National Monument, New Mexico", numbered 315–20,014–B and dated May 1976, to be know as the Bandelier Wilderness.

(b) Black Canyon of the Gunnison National Monument, Colorado, wilderness comprising eleven thousand one hundred and eighty acres, depicted on a map entitled "Wilderness Plan, Black Canyon of the Gunnison National Monument, Colorado", numbered 144–20,017 and dated May 1973, to be known as the Black Canyon of the Gunnison Wilderness.

(c) Chiricahua National Monument, Arizona, wilderness comprising nine thousand four hundred and forty acres, and potential wilderness additions comprising two acres, depicted on a map entitled "Wilderness Plan, Chiricahua National Monument, Arizona", numbered 145–20,007–A and dated September 1973, to be known as the Chiricahua National Monument Wilderness.

(d) Great Sand Dunes National Monument, Colorado, wilderness comprising thirty-three thousand four hundred and fifty acres, and potential wilderness additions comprising six hundred and seventy acres, depicted on a map entitled "Wilderness Plan, Great Sand Dunes National Monument, Colorado", numbered 140–20,006–C and dated February 1976, to be known as the Great Sand Dunes Wilderness.

(e) Haleakala National Park, Hawaii, wilderness comprising nineteen thousand two hundred and seventy acres, and potential wilderness additions comprising five thousand five hundred acres, depicted on a map entitled "Wilderness Plan, Haleakala National Park, Hawaii", numbered 162–20,006–A and dated July 1972, to be known as the Haleakala Wilderness.

(f) Isle Royale National Park, Michigan, wilderness comprising one hundred and thirty-one thousand eight hundred and eighty acres, and potential wilderness additions comprising two hundred and thirty-one acres, depicted on a map entitled "Wilderness Plan, Isle Royale National Park, Michigan", numbered 139–20,004 and dated December 1974, to be known as the Isle Royale Wilderness.

(g) Joshua Tree National Monument, California, wilderness comprising four hundred and twenty-nine thousand six hundred and ninety acres, and potential wilderness additions comprising thirty-seven thousand five hundred and fifty acres, depicted on a map entitled

"Wilderness Plan, Joshua Tree National Monument, California", numbered 156–20,003–D and dated May 1976, to be known as the Joshua Tree Wilderness.

(h) Mesa Verde National Park, Colorado, wilderness comprising eight thousand one hundred acres, depicted on a map entitled "Wilderness Plan, Mesa Verde National Park, Colorado", numbered 307–20,007–A and dated September 1972, to be known as the Mesa Verde Wilderness.

(i) Pinnacles National Monument, California, wilderness comprising twelve thousand nine hundred and fifty-two acres, and potential wilderness additions comprising nine hundred and ninety acres, depicted on a map entitled "Wilderness Plan, Pinnacles National Monument, California", numbered 114–20,010–D and dated September 1975, to be known as the Pinnacles Wilderness.

(j) Saguaro National Monument, Arizona, wilderness comprising seventy-one thousand four hundred acres, depicted on a map entitled "Wilderness Plan, Saguaro National Mounment, Arizona", numbered 151–20,003–D and dated May 1976, to be known as the Saguaro Wilderness.

(k) Point Reyes National Seashore, California, wilderness comprising twenty-five thousand three hundred and seventy acres, and potential wilderness additions comprising eight thousand and three acres, depicted on a map entitled "Wilderness Plan, Point Reyes National Seashore", numbered 612–90,000–B and dated September 1976, to be known as the Point Reyes Wilderness.

(l) Badlands National Monument, South Dakota, wilderness comprising sixty-four thousand two hundred and fifty acres, depicted on a map entitled "Wilderness Plan, Badlands National Monument, South Dakota", numbered 137–29,010–B and dated May 1976, to be known as the Badlands Wilderness.

(m) Shenandoah National Park, Virginia, wilderness comprising seventy-nine thousand and nineteen acres, and potential wilderness additions comprising five hundred and sixty acres, depicted on a map entitled "Wilderness Plan, Shenandoah National Park, Virginia", numbered 134–90,001 and dated June 1975, to be known as the Shenandoah Wilderness.

SEC. 2. A map and description of the boundaries of the areas designated in this Act shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, and in the office of the Superintendent of each area designated in the Act. As soon as practicable after this Act takes effect, maps of the wilderness areas and descriptions of their boundaries shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such maps and descriptions shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographical errors in such maps and descriptions may be made.

SEC. 3. All lands which represent potential wilderness additions, upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, shall thereby be designated wilderness.

SEC. 4. The boundaries of the following areas are hereby revised, and those lands depicted on the respective maps as wilderness or as potential wilderness addition are hereby so designated at such time and in such manner as provided for by this Act:

(a) Isle Royale National Park, Michigan:

The Act of March 6, 1942 (56 Stat. 138; 16 U.S.C. 408e–408h), as amended, is further amended as follows:

(1) Insert the letter "(a)" before the second paragraph of the first section, redesignate subparagraphs (a), (b), and (c) of that paragraph as "(1)", "(2)", "(3)", respectively, and add to that section the following new paragraph:

"(b) Gull Islands, containing approximately six acres, located in section 19, township 68 north, range 31 west, in Keweenaw County, Michigan.".

(2) Amend section 3 to read as follows:

"SEC. 3. The boundaries of the Isle Royale National Park are hereby extended to include any submerged lands within the territorial jurisdiction of the United States within four and one-half miles of the shoreline of Isle Royale and the surrounding islands, including Passage Island and the Gull Islands, and the Secretary of the Interior is hereby authorized, in his discretion, to acquire title by donation to any such lands not now owned by the United States, the title to be satisfactory to him.".

(b) Pinnacles National Monument, California:

(1) The boundary is hereby revised by adding the following described lands, totaling approximately one thousand seven hundred and seventeen and nine-tenths acres:

(a) Mount Diablo meridian, township 17 south, range 7 east: Section 1, east half east half, southwest quarter northeast quarter, and northwest quarter southeast quarter; section 12, east half northeast quarter, and northeast quarter southeast quarter; section 13, east half northeast quarter and northeast quarter southeast quarter.

(b) Township 16 south, range 7 east: Section 32, east half.

(c) Township 17 south, range 7 east: Section 4, west half; section 5, east half.

(d) Township 17 south, range 7 east: Section 6, southwest quarter southwest quarter; section 7, northwest quarter north half southwest quarter.

(2) The Secretary of the Interior may make minor revisions in the monument boundary from time to time by publication in the Federal Register of a map or other boundary description, but the total area within the monument may not exceed sixteen thousand five hundred acres: *Provided, however*, That lands designated as wilderness pursuant to this Act may not be excluded from the monument. The monument shall hereafter be administered in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented.

(3) In order to effectuate the purposes of this subsection, the Secretary of the Interior is authorized to acquire by donation, purchase, transfer from any other Federal agency or exchange, lands and interests therein within the area hereafter encompassed by the monument boundary, except that property owned by the State of California or any political subdivision thereof may be acquired only by donation.

(4) There are authorized to be appropriated, in addition to such sums as may heretofore have been appropriated, not to exceed $955,000 for the acquisition of lands or interests in lands authorized by this subsection. No funds authorized to be appropriated pursuant to this Act shall be available prior to October 1, 1977.

SEC. 5. (a) The Secretary of Agriculture shall, within two years after the date of enactment of this Act, review, as to its suitability or nonsuitability for preservation as wilderness, the area comprising approximately sixty-two thousand nine hundred and thirty acres located in the Coronado National Forest adjacent to Saguaro National Monument, Arizona, and identified on the map referred to in section 1(j) of this Act as the "Rincon Wilderness Study Area," and shall report his findings to the President. The Secretary of Agriculture shall conduct his review in accordance with the provisions of subsections 3(b) and 3(d) of the Wilderness Act, except that any reference in such subsections to areas in the national forests classified as "primitive" on the effective date of that Act shall be deemed to be a reference to the wilderness study area designated by this Act and except that the President shall advise the Congress of his recommendations with respect to this area within two years after the date of enactment of this Act.

(b) The Secretary of Agriculture shall give at least sixty days' advance public notice of any hearing or other public meeting relating to the review provided for by this section.

SEC. 6. The areas designated by this Act as wilderness shall be administered by the Secretary of the Interior in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and, where appropriate, any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

SEC. 7. (a) Section 6(a) of the Act of September 13, 1962 (76 Stat. 538), as amended (16 U.S.C. 459c–6a) is amended by inserting "without impairment of its natural values, in a manner which provides for such recreational, educational, historic preservation, interpretation, and scientific research opportunities as are consistent with, based upon, and supportive of the maximum protection, restoration and preservation of the natural environment with the area" immediately after "shall be administered by the Secretary".

(b) Add the following new section 7 and redesignate the existing section 7 as section 8:

"SEC. 7. The Secretary shall designate the principal environmental education center within the Seashore as 'The Clem Miller Environmental Education Center,' in commemoration of the vision and leadership which the late Representative Clem Miller gave to the creation and protection of Point Reyes National Seashore.".

SEC. 8. Notwithstanding any other provision of law, any designation of the lands in the Shoshone National Forest, Wyoming, known as the Whiskey Mountain Area, comprising approximately six thousand four hundred and ninety-seven acres and depicted as the "Whiskey Mountain Area—Glacier Primitive Area" on a map entitled "Proposed Glacier Wilderness and Glacier Primitive Area", dated September 23, 1976, on file in the Office of the Chief, Forest Service, Department of Agriculture, shall be classified as a primitive area until the Secretary of Agriculture or his designee determines otherwise pursuant to classification procedures for national forest primitive areas. Provisions of any other Act designating the Fitspatrick Wil-

derness in said Forest shall continue to be effective only for the approximately one hundred and ninety-one thousand one hundred and three acres depicted as the "Proposed Glacier Wilderness" on said map.

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.

CORRECTED SHEET

H. R. 9719

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the nineteenth day of January, one thousand nine hundred and seventy-six

An Act

To provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective for fiscal years beginning on and after October 1, 1976, the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government in which entitlement lands (as defined in section 6) are located. Such payments may be used by such unit for any governmental purpose. The amount of such payments shall be computed as provided in section 2.

SEC. 2. (a) The amount of any payment made for any fiscal year to a unit of local government under section 1 shall be equal to the greater of the following amounts—

(1) 75 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)), reduced (but not below 0) by the aggregate amount of payments, if any, received by such unit of local government during the preceding fiscal year under all of the provisions specified in section 4, or

(2) 10 cents for each acre of entitlement land located within the boundaries of such unit of local government (but not in excess of the population limitation determined under subsection (b)).

In the case of any payment under a provision specified in section 4 which is received by a State, the Governor (or his delegate) shall submit to the Secretary a statement respecting the amount of such payment which is transferred to each unit of local government within the State.

(b) (1) In the case of any unit of local government having a population of less than five thousand, the population limitation applicable to such unit of local government shall not exceed an amount equal to $50 multiplied by the population within the jurisdiction of such unit of local government.

(2) In the case of any unit of local government having a population of five thousand or more, the population limitation applicable to such unit of local government shall not exceed the amount computed under the following table (using a population figure rounded off to the nearest thousand):

If population equals—	Payment shall not exceed the amount computed by multiplying such population by—
5,000	$50.00
6,000	47.00
7,000	44.00
8,000	41.00
9,000	38.00
10,000	35.00
11,000	34.00
12,000	33.00
13,000	32.00

If population equals—	Payment shall not exceed the amount computed by multiplying such population by—
14,000	31.00
15,000	30.00
16,000	29.50
17,000	29.00
18,000	28.50
19,000	28.00
20,000	27.50
21,000	27.20
22,000	26.90
23,000	26.60
24,000	26.30
25,000	26.00
26,000	25.80
27,000	25.60
28,000	25.40
29,000	25.20
30,000	25.00
31,000	24.75
32,000	24.50
33,000	24.25
34,000	24.00
35,000	23.75
36,000	23.50
37,000	23.25
38,000	23.00
39,000	22.75
40,000	22.50
41,000	22.25
42,000	22.00
43,000	21.75
44,000	21.50
45,000	21.25
46,000	21.00
47,000	20.75
48,000	20.50
49,000	20.25
50,000	20.00

For the purpose of this computation no unit of local government shall be credited with a population greater than fifty thousand.

(c) For purposes of this section, "population" shall be determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes.

(d) In the case of a smaller unit of local government all or part of which is located within another unit of local government, entitlement lands which are within the jurisdiction of both such units shall be treated for purposes of this section as only within the jurisdiction of such smaller unit.

SEC. 3. (a) In the case of any land or interest therein, acquired by the United States (i) for the Redwood National Park pursuant to the Act of October 2, 1968 (82 Stat. 931) or (ii) acquired for addition to the National Park System or National Forest Wilderness Areas after December 31, 1970, which was subject to local real property taxes within the five years preceding such acquisition, the Secretary is authorized and directed to make payments to counties within the jurisdiction of which such lands or interests therein are located, in addition to payments under section 1. The counties, under guidelines established by the Secretary, shall distribute the payments on a proportional basis to those units of local government and affected school districts which have incurred losses of real property taxes due to the acquisition of lands or interests therein for addition to either such system. In those cases in which another unit of local government other

than the county acts as the collecting and distributing agency for real property taxes, the payments shall be made to such unit of local government, which shall distribute such payments as provided in this subsection. The Secretary may prescribe regulations under which payments may be made to units of local government in any case in which the preceding provisions will not carry out the purposes of this subsection.

(b) Payments authorized under this section shall be made on a fiscal year basis beginning with the later of—

(1) the fiscal year beginning October 1, 1976, or

(2) the first full fiscal year beginning after the fiscal year in which such lands or interests therein are acquired by the United States.

Such payments may be used by the affected local governmental unit for any governmental purpose.

(c) (1) The amount of any payment made for any fiscal year to any unit of local government and affected school districts under subsection (a) shall be an amount equal to 1 per centum of the fair market value of such lands and interests therein on the date on which acquired by the United States. If, after the date of enactment of legislation authorizing any unit of the National Park System or National Forest Wilderness Areas as to which a payment is authorized under subsection (a), rezoning increases the value of the land or any interest therein, the fair market value for the purpose of such payments shall be computed as if such land had not been rezoned.

(2) Notwithstanding paragraph (1), the payment made for any fiscal year to a unit of local government under subsection (a) shall not exceed the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to the National Park System or National Forest Wilderness Areas.

(d) No payment shall be made under this section with respect to any land or interest therein after the fifth full fiscal year beginning after the first fiscal year in which such a payment was made with respect to such land or interest therein.

SEC. 4. The provisions of law referred to in section 2 are as follows:

(1) the Act of May 23, 1908, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine" (35 Stat. 251; 16 U.S.C. 500);

(2) the Act of June 20, 1910, entitled "An Act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States, and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States" (36 Stat. 557);

(3) section 35 of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", commonly known as the "Mineral Lands Leasing Act" (41 Stat. 450; 30 U.S.C. 191);

(4) section 17 of the Federal Power Act (41 Stat. 1072; 16 U.S.C. 810);

(5) section 10 of the Taylor Grazing Act (48 Stat. 1273; 43 U.S.C. 315i);

(6) section 33 of the Bankhead-Jones Farm Tenant Act (50 Stat. 526; 7 U.S.C. 1012);

(7) section 5 of the Act entitled "To safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes", approved June 22, 1948 (62 Stat. 570; 16 U.S.C. 577g);

(8) section 5 of the Act entitled "An Act to amend the Act of June 22, 1948 (62 Stat. 568) and for other purposes" approved June 22, 1956 (70 Stat. 366; 16 U.S.C. 577g–1);

(9) section 6 of the Mineral Leasing Act for Acquired Lands (61 Stat. 915; 30 U.S.C. 355); and

(10) section 3 of the Materials Disposal Act (61 Stat. 681; 30 U.S.C. 603).

SEC. 5. (a) No unit of local government which receives any payment with respect to any land under the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753), during any fiscal year shall be eligible to receive any payment under this Act for such fiscal year with respect to such land. Nothing in this Act shall be construed to apply to the Act of August 28, 1937 (50 Stat. 875), or the Act of May 24, 1939 (53 Stat. 753).

(b) If the total payment by the Secretary to any county or unit of local government under this Act would be less than $100, such payment shall not be made.

SEC. 6. As used in this Act, the term—

(a) "entitlement lands" means lands owned by the United States that are—

(1) within the National Park System, the National Forest System, including wilderness areas within each, or any combination thereof, including, but not limited to, lands described in section 2 of the Act referred to in paragraph (7) of section 4 of this Act (16 U.S.C. 577d) and the first section of the Act referred to in paragraph (8) of this Act (16 U.S.C. 577d–1);

(2) administered by the Secretary of the Interior through the Bureau of Land Management;

(3) dedicated to the use of water resource development projects of the United States;

(4) nothing in this section shall authorize any payments to any unit of local government for any lands otherwise entitled to receive payments pursuant to subsection (a) of this section if such lands were owned and/or administered by a State or local unit of government and exempt from the payment of real estate taxes at the time title to such lands is conveyed to the United States; or

(5) dredge disposal areas owned by the United States under the jurisdiction of the Army Corps of Engineers;

(b) "Secretary" means the Secretary of the Interior; and

(c) "unit of local government" means a county, parish, township, municipality, borough existing in the State of Alaska on the date of enactment of this Act, or other unit of government below the State which is a unit of general government as determined by the Secretary (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes). Such term also includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

SEC. 7. There are authorized to be appropriated for carrying out the

provisions of this Act such sums as may be necessary: *Provided*, That, notwithstanding any other provision of this Act no funds may be made available except to the extent provided in advance in appropriation Acts.

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.