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8/12/76

APPROVED
JUL 12 1976

THE WHITE HOUSE
WASHINGTON

ACTION

Last Day: July 17

Posted
7/12/76

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

H.R. 10572 - Amending the definition of "city" for tax purposes

Archives
7/12/76

Attached for your consideration is H.R. 10572, sponsored by Representative Breckinridge.

The enrolled bill would enlarge the definition of the term "city", as set forth in P.L. 93-340 of July 10, 1972 to encompass certain municipalities, towns and townships and thus permit these jurisdictions to enter into agreements with the Department of the Treasury for the withholding of locally imposed income and employment taxes from the pay of Federal employees.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Bill Seidman, Alan Greenspan, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 10572 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 7 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10572 - Amending the definition
of "city" for tax purposes
Sponsor - Rep. Breckinridge (D) Kentucky

Last Day for Action

July 17, 1976 - Saturday

Purpose

To amend the definition of the term "city" to permit the withholding of income and employment taxes imposed by certain local jurisdictions from the pay of Federal employees.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Advisory Commission on Inter- governmental Relations	Approval (Informally)

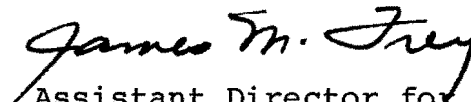
Discussion

The enrolled bill would enlarge the definition of the term "city," as set forth in Public Law 93-340, to encompass certain municipalities, towns and townships and thus permit these jurisdictions to enter into agreements with the Department of the Treasury for the withholding of locally imposed income and employment taxes from the pay of Federal employees.

Currently, the definition of a city contained in P.L. 93-340 -- which was enacted July 10, 1974, and provides that cities in which over 500 Federal workers are regularly employed may conclude

agreements with Treasury to withhold local income and employment taxes from the pay of such employees -- is limited to those political subdivisions which are duly incorporated as a city under the laws of a State. Pursuant to this 1974 Act, 52 cities have requested and about 40 cities have signed withholding agreements with Treasury.

In the case of some municipalities and towns, however, the Department has declined to enter into such agreements, when requested, because these jurisdictions do not technically meet the test of a city under the law. H.R. 10572 would remedy this situation for those jurisdictions which are not incorporated under State law but which possess all or many of the customary powers of a city so incorporated. The enrolled bill would achieve this objective by expanding the definition of "city" to include any unit of general local government which is classified as a municipality by the Bureau of the Census or which is a town or township which, in the judgment of the Treasury, meets three criteria relating to population density, scope of governmental powers and functions, and absence of unincorporated enclaves within the boundaries of such town or township.


Assistant Director for
Legislative Reference

Enclosures

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 7

Time: 615pm

FOR ACTION: Paul Leach

Max Friedersdoff

Ken Lazarus

Bill Seidman Alan Agan Greenspan

Steve McConahey

cc (for information): Jack Marsh

Jim Cavanaugh

Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 8

Time: 530pm

SUBJECT:

H.R. 10572 -Amending the definition of "city" for tax purposes

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

JUL 6 1976

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 10572, "To amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments."

The enrolled enactment would amend section 5520(c) of title 5 of the United States Code to change the definition of the term "city" as it applies to the withholding of city income or employment taxes from the pay of Federal employees. Under existing law, the term means a city incorporated under the laws of a State and in which 500 or more persons are employed by agencies of the Federal Government. The amendment would retain the 500-employee criterion but would expand the definition of city to include municipalities and certain unincorporated towns or townships that meet criteria established by the Secretary of the Treasury.

The enrolled enactment would benefit Federal employees who do not now have the withholding option by giving them a systematic means of meeting their local tax obligations.

The Department recommends that the enrolled enactment be approved by the President.

Sincerely yours,


Richard R. Albrecht
General Counsel

Alic → TB Judy Johnson

hand carry

THE WHITE HOUSE

WASHINGTON

ACTION MEMORANDUM

LOG NO.:

Date: July 7

Time: 615pm

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus
Bill Seidman
Steve McConahey

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: July 8

Time: 530pm

SUBJECT:

H.R. 10572 -Amending the definition of "city"
for tax purposes

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

CBA has no comments and approves the attached

John A. Davis

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately

James M. Cannon
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 7

Time: 615pm

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus
Bill Seidman
Steve McConahey

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: July 8

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SUBJECT:

H.R. 10572 -Amending the definition of "city"
for tax purposes

ACTION REQUESTED:

For Necessary Action

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Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

No objection - Ken Lazarus 7/8/76

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James M. Cannon
For the President

THE WHITE HOUSE
WASHINGTON

7/8/76

TO: Bill Kendall/Charlie Leppert

FROM: Jane Greenleaf

Comments Please

CL - sign

BK - no comment

RKW Sign

THE WHITE HOUSE

WASHINGTON

July 8, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *mf*
SUBJECT: H.R. 10572 - Amending the definition of
"city" for tax purposes

The Office of Legislative Affairs concurs with the agencies
that the bill be signed.

Attachments

JUL 8 1950

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 7

Time: 615pm

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus
Bill Seidman ✓
Steve McConahey

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: July 8

Time: 530pm

SUBJECT:

H.R. 10572 -Amending the definition of "city"
for tax purposes

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

James Cannon
JS
JWS

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

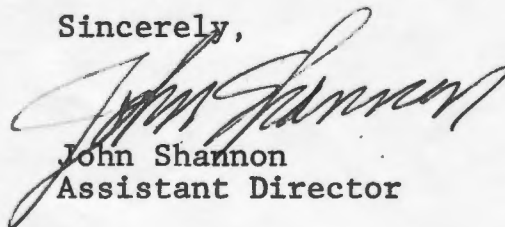
July 7, 1976

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Frey:

The Advisory Commission urges Presidential approval of HR 10572. The Commission is on record favoring the withholding of city income taxes from Federal employees.

Sincerely,



John Shannon
Assistant Director

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 7 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10572 - Amending the definition
of "city" for tax purposes
Sponsor - Rep. Breckinridge (D) Kentucky

Last Day for Action

July 17, 1976 - Saturday

Purpose

To amend the definition of the term "city" to permit the withholding of income and employment taxes imposed by certain local jurisdictions from the pay of Federal employees.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Advisory Commission on Intergovernmental Relations	Approval (Informally)

Discussion

The enrolled bill would enlarge the definition of the term "city," as set forth in Public Law 93-340, to encompass certain municipalities, towns and townships and thus permit these jurisdictions to enter into agreements with the Department of the Treasury for the withholding of locally imposed income and employment taxes from the pay of Federal employees.

Currently, the definition of a city contained in P.L. 93-340 -- which was enacted July 10, 1974, and provides that cities in which over 500 Federal workers are regularly employed may conclude



10-
7-7-76
C: 7.71.

FEDERAL EMPLOYEE WITHHOLDING FOR TAXES IM-
POSED BY CERTAIN NONINCORPORATED LOCAL
GOVERNMENTS

APRIL 5, 1976.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. HENDERSON, from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany H.R. 10572]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 10572) to amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause and inserts in lieu thereof a substitute text which appears in italic type in the reported bill.

EXPLANATION OF AMENDMENT

The committee amendment to H.R. 10572 substitutes an entirely new text for the text of the introduced bill. However, the substitute text merely alters the style and form of the provisions of the bill and does not make any substantive change in the provisions of the introduced bill.

PURPOSE

The sole purpose of H.R. 10572 is to amend the definition of the term "city" as set forth in section 5520(c)(1) of title 5, United States Code, so as to permit the withholding of income or employment taxes imposed by certain municipalities and towns or townships which meet the criteria specified in the bill.

COMMITTEE ACTION

H.R. 10572, as amended, was ordered reported by unanimous voice vote of the Committee on Post Office and Civil Service on March 18,

1976. No hearings were held on this bill because of the noncontroversial nature of the proposed amendment. A hearing was held on H.R. 8660, subsequently enacted as Public Law 93-340 (Hearing No. 93-95, November 14, 1973), relating to the withholding of city taxes.

BACKGROUND

Public Law 93-340, enacted July 10, 1974 (5 U.S.C. 5520), provides for the withholding of city income or employment taxes from the pay of Federal employees where a city ordinance provides for the collection of such taxes and imposes a duty on employers within the taxing jurisdiction to withhold taxes. The law provides that the Secretary of the Treasury, under certain conditions, shall enter into an agreement with the city to provide for such withholding from the pay of Federal employees who are regularly employed within the city. For purposes of this law the term "city" is defined as meaning one which is duly incorporated under the laws of a State and within the political boundaries of which there are 500 or more persons regularly employed by all agencies of the Federal Government (5 U.S.C. 5520(c) (1)).

STATEMENT

There are no more than 12 states which authorize cities to impose income or employment taxes. Since enactment of Public Law 93-340, 52 cities have requested withholding agreements with the Department of Treasury. Approximately 40 agreements are currently in effect. However, the Department has declined to enter into agreements with several jurisdictions because they fail to meet the technical requirement of the existing law—i.e., be duly incorporated as a city under the laws of a State. An example of such a jurisdiction can be found in Kentucky where the city of Lexington merged its governmental functions with the county of Fayette to form the Lexington-Fayette Urban County Government.

While this Government possesses all of the powers of a Kentucky city, it, in fact, is not incorporated as a city under the laws of Kentucky and, therefore, does not fall within the definition of "city" as set forth in section 5520(c) (1) of title 5, United States Code.

Since the enactment of Public Law 93-340, this committee has been made aware that there exists in many states political subdivisions which, although not incorporated as cities under the State law, nevertheless possess all or many of the powers exercised by such incorporated cities. The committee finds no valid basis for excluding such political subdivisions from the application of the tax withholding provisions of 5 U.S.C. 5520. Therefore, H.R. 10572 proposes to amend the definition of "city" to mean any unit of general local government which is classified as a municipality by the Bureau of the Census or which is a town or township which, in the determination of the Secretary of the Treasury, meets the three criteria specified in the bill. The amended definition would retain the existing requirement that there be at least 500 persons regularly employed by the Federal Government within the political boundaries of the taxing jurisdiction. The committee believes the amended definition of "city" to be sufficiently flexi-

ble to avoid the type of inequity that has occurred under the existing law.

ANALYSIS OF H.R. 10572

The first section of the bill, as amended by the Committee, amends the definition of the term "city" as set forth in section 5520(c) (1) of title 5, United States Code. Under existing law "city" is defined as meaning one which is duly incorporated under the laws of a State and within the political boundaries of which there are 500 or more persons regularly employed by all agencies of the Federal Government.

Under the amendment the term "city" is defined as meaning any unit of general local government which (1) is classified as a municipality by the Bureau of the Census, or (2) is a town or township which, in the determination of the Secretary of the Treasury, meets certain specified criteria.

With respect to the classification of municipalities by the Bureau of the Census, there is set forth below an excerpt from Volume 1 of the 1972 Census of Governments published by the Bureau of the Census.

MUNICIPALITIES

For purposes of Census classification, a municipality is a political subdivision within which a municipal corporation has been established to provide general local government for a specific population concentration in a defined area. A municipality may be legally termed a city, village, borough (except in Alaska), or town (except in the New England States, New York, and Wisconsin). In Alaska, the term "borough" corresponds to units classed as county governments and in New England, New York, and Wisconsin, the term "town" relates to an area subdivision which (although it may be legally termed a municipal corporation and have a similar governmental organization) has no necessary relationship to a concentration of population and thus corresponds to townships in other States. The above concept of municipalities corresponds generally to the "incorporated places" that are recognized in Census Bureau reporting of population and housing statistics subject to an important qualification—the count of municipalities in this report excludes places which are reported as currently governmentally inactive.

A total of 18,517 municipalities are reported in existence as of early 1972. This is an increase of 469 over the number reported in the 1967 Census of Governments. Illinois, with 1,267 such governments at the beginning of 1972, has more municipalities than any other State. Pennsylvania has 1,012 municipalities, Texas has 981, Iowa 951, and Ohio 936. At the other extreme are seven States with fewer than 50 municipalities each—Connecticut, Hawaii, Maine, Massachusetts, Nevada, New Hampshire, and Rhode Island. It may be noted that five of these seven are New England States, where a strong town government often provides urban services ordinarily provided by municipalities in other States.

As table 10 shows, more than 132 million of the inhabitants of the United States live in areas with municipal government, and more than 56 million of these municipal residents live in the 153 cities of at least

100,000 population. The majority of municipalities (52 percent) have fewer than 1,000 inhabitants. However, these 9,664 small municipalities account for only 3 percent of the total municipally served population, as shown by the following tabulation, based on tables 9 and 10:

Population-size group	Municipalities		Population served by municipalities, 1970	
	Number	Percent	Number (thousands)	Percent
United States.....	18,517	100.0	132,244	100.0
100,000 or more.....	153	.8	56,500	42.7
50,000 to 99,999.....	231	1.2	16,130	12.2
25,000 to 49,999.....	453	2.4	15,668	11.8
10,000 to 24,999.....	1,134	6.1	17,556	13.4
5,000 to 9,999.....	1,398	7.5	9,955	7.5
2,500 to 4,999.....	1,911	10.3	6,731	5.1
1,000 to 2,499.....	3,573	19.3	5,706	4.3
Less than 1,000.....	9,664	52.2	3,998	3.0

Under the amended definition of "city", a town or township may qualify for a tax withholding agreement under 5 U.S.C. 5520 if, in the determination of the Secretary of the Treasury, such town or township (1) possesses powers and performs functions comparable to those associated with municipalities, (2) is closely settled, and (3) contains within its boundaries no incorporated places, as defined by the Bureau of the Census.

The amended definition of "city" retains the existing requirement that there be 500 or more persons who are regularly employed by all agencies of the Federal Government within the political boundaries of the local government.

Section 2 of the bill provides that the amended definition of "city" shall take effect on the date of the enactment of the Act.

Cost

The committee has determined that no additional cost to the Government will result from the enactment of this legislation. The statement furnished by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act is set forth below:

CONGRESSIONAL BUDGET OFFICE,
March 22, 1976.

HON. DAVID N. HENDERSON,
Chairman, Committee on Post Office and Civil Service, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 10572, city income tax withholding.

Based on this review, it appears that no additional costs to the government would be incurred as a result of the enactment of this bill.

Sincerely,

ALICE M. RIVLIN,
Director.

OVERSIGHT

Under the rules of the Committee on Post Office and Civil Service, the Subcommittee on Manpower and Civil Service is vested with legislative and oversight jurisdiction over the subject matter of this legislation. As a result of meetings with, and correspondence received from, individuals concerned about the problem addressed by this legislation the subcommittee and full committee concluded that there was ample justification for amending the law in the manner provided under H.R. 10572.

The committee received no report of oversight findings or recommendations from the Committee on Government Operations pursuant to clause 2(b)(2) of House Rule X.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of House Rule XI, the committee has concluded that, since there is no cost involved, the enactment of H.R. 10572 will have no inflationary impact on the national economy.

AGENCY VIEWS

The report of the General Counsel of the Treasury on H.R. 10572 is set forth below.

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., February 12, 1976.

HON. DAVID N. HENDERSON,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to request for the views of the Department of Treasury on H.R. 10572, "To amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments."

The proposed legislation would amend section 5520(c) of title 5 of the United States Code to change the definition of the term "city" as it applies to withholding of city income and employment taxes from the pay of Federal employees. Under existing law, the term means a city incorporated under the laws of a State and in which 500 or more persons are employed by agencies of the Federal Government. The amendment would retain the 500-employee criterion, but would expand the definition of "city" so as to include "municipalities", as defined by the U.S. Census Bureau, and towns or townships which, as determined by the Secretary of the Treasury, meet certain criteria set out in the law.

Because of the definition of "city" in section 5520(c), the Department has not entered into withholding agreements with certain jurisdictions which, although not incorporated as cities under applicable State law, have all of the powers and characteristics usually associated with cities and meet the 500-employee requirement. The Department has had considerable difficulty in explaining this position to officials

of these jurisdictions, who point out the lack of any substantial difference between their jurisdictions and a qualified "city" and the apparent inequity in excluding these jurisdictions from withholding agreements. The proposed amendment is a workable definition which would permit a withholding agreement with this type of jurisdiction.

As requested by the Senate Committee on Post Office and Civil Service, *see* Senate Report 946, 93d Congress, 2(1974), the Department is currently preparing a report on the ramifications of extending the provisions of section 5520, a copy of which will be furnished to your committee. The Department supports the legislation in principle. However, we request that the committee defer action on the bill until our report is completed. We anticipate that this report will be completed in May 1976.

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.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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) :

SECTION 5520 OF TITLE 5, UNITED STATES CODE

CHAPTER 55—PAY ADMINISTRATION

SUBCHAPTER II—WITHHOLDING PAY

§ 5520. Withholding of city income or employment taxes

(a) When a city ordinance—

(1) provides for the collection of a tax by imposing on employers generally the duty of withholding sums from the pay of employees and making returns of the sums to the city; and

(2) imposes the duty to withhold generally on the payment of compensation earned within the jurisdiction of the city in the case of employees whose regular place of employment is within such jurisdiction;

the Secretary of the Treasury, under regulations prescribed by the President, shall enter into an agreement with the city within 120 days of a request for agreement by the proper city official. The agreement shall provide that the head of each agency of the United States shall comply with the requirements of the city ordinance in the case of employees of the agency who are subject to the tax and whose regular place of Federal employment is within the jurisdiction of the

city with which the agreement is made. The agreement may not apply to pay for service as a member of the Armed Forces. The agreement may not permit withholding of a city tax from the pay of an employee who is not a resident of the State in which that city is located unless the employee consents to the withholding.

(b) This section does not give the consent of the United States to the application of an ordinance which imposes more burdensome requirements on the United States than on other employers or which subjects the United States or its employees to a penalty or liability because of this section. An agency of the United States may not accept pay from a city for services performed in withholding city income or employment taxes from the pay of employees of the agency

(c) For the purpose of this section—

[(1) "city" means a city which is duly incorporated under the laws of a State and within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government; and]

(1) "city" means any unit of general local government which—

(A) is classified as a municipality by the Bureau of the Census, or

(B) is a town or township which, in the determination of the Secretary of the Treasury—

(i) possesses powers and performs functions comparable to those associated with municipalities,

(ii) is closely settled, and

(iii) contains within its boundaries no incorporated places, as defined by the Bureau of the Census,

within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government; and

(2) "agency" means—

(A) an Executive agency;

(B) the judicial branch; and

(C) the United States Postal Service.

○

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 amend title 5 of the United States Code to provide that the provisions relating to the withholding of city income or employment taxes from Federal employees shall apply to taxes imposed by certain nonincorporated local governments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 5520(c) of title 5, United States Code, is amended to read as follows:

“(1) ‘city’ means any unit of general local government which—

“(A) is classified as a municipality by the Bureau of the Census, or

“(B) is a town or township which, in the determination of the Secretary of the Treasury—

“(i) possesses powers and performs functions comparable to those associated with municipalities,

“(ii) is closely settled, and

“(iii) contains within its boundaries no incorporated places, as defined by the Bureau of the Census, within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government; and”.

SEC. 2. The amendment made by the first section of this Act shall take effect on the date of the enactment of this Act.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*