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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

B-102563

JUL 3 - 1951
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The Honorable

The Secretary of the Interior

My dear Mr. Secretary:

Reference is made to letter dated April 2, 1951, from the Assistant Secretary of the Interior, requesting advice as to the proper disposition of revenues derived from the mineral leasing of lands in two instances, the first of which is as follows:

"Where lands were originally acquired under the Bankhead-Jones Farm Tenant Act and transferred under the provisions of section 1 of Executive Order No. 10046, from the Department of Agriculture to the Department of the Interior for administration under the Taylor Grazing Act."

Section 32 of the Bankhead-Jones Farm Tenant Act of 1937, as amended, 7 U.S.C. 1011, authorizes the Secretary of Agriculture to acquire lands in developing the land conservation and land utilization program authorized by section 31 of the Act, 7 U.S.C. 1010. The Secretary is required by section 33 of the Act, 7 U.S.C. 1012, to pay 25 percent of the net revenues received from the use of the land during each calendar year to the county in which the land is situated.

Section 402 of Reorganization Plan No. 3 of July 16, 1946, 60 Stat. 1097, 5 U.S.C. 133y-16, transferred from the Department of Agriculture the jurisdiction over the leasing of minerals on certain Federally

acquired lands, including those acquired under Title III of the Bankhead-Jones Farm Tenant Act, supra, to the Department of the Interior. As to revenues derived in connection with such transferred functions it was provided that the provisions of law governing the crediting and distribution of revenues derived from said lands shall be applicable thereto.

Under date of August 7, 1947, there was enacted the Mineral Leasing Act for Acquired Lands, section 2 of which provides that "acquired lands" or "lands acquired by the United States" as used in the Act shall include "all lands heretofore or hereafter acquired by the United States to which the 'mineral leasing laws' have not been extended." The lands here involved are covered by the Act. Section 6 of said Act as contained in 30 U.S.C. 355, provides that:

"All receipts derived from leases issued under the authority of this chapter shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the lands affected by the lease, the intention of this provision being that this chapter shall not affect the distribution of receipts pursuant to legislation applicable to such lands." (Underscoring supplied.)

Jurisdiction of the lands in question was transferred to the Department of the Interior by section 1 of Executive Order 10046, dated March 24, 1949, which order provided that "the lands shall be administered under the Taylor Grazing Act, 48 Stat. 1269 (43 U.S.C. 315), as amended." Section 10 of said Act, 43 U.S.C. 315i, provides that, with exceptions not here pertinent, 50 percent of all revenues shall be paid to the States in which grazing lands are situated, 25

percent be subject to appropriation by the Congress for range improvements and that the remaining 25 percent be deposited into the Treasury of the United States as miscellaneous receipts.

Thus, since the lands transferred to the Department of the Interior are for administering under the Taylor Grazing Act and since such acquired lands are subject to the Mineral Leasing Act for Acquired Lands, under the provisions of section 6 thereof, revenues from mineral leasing of the acquired lands are for distribution in accordance with the provisions of section 10 of the Taylor Grazing Act, supra. The first question is answered accordingly.

The second instance covered in the letter of April 2, 1951, is stated as follows:

"Where lands are withdrawn from use and disposal under all public land laws except the mining and mineral leasing laws, and transferred under the provisions of section 2 of Executive Order No. 10046 from the Department of the Interior to the Department of Agriculture for use, administration and disposition in accordance with the provisions of the Bankhead-Jones Farm Tenant Act."

If none other than acquired lands were transferred to the Department of Agriculture by section 2 of Executive Order 10046, it would seem to follow as a necessary corollary that the reasoning applied in reaching the conclusion to the first situation considered above, likewise is applicable to the second situation. That is to say, revenues derived from mineral leasing of the lands in the latter instance would be for distribution under the provisions of section 33 of the Bankhead-Jones Farm Tenant Act, supra.

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However, if there be included in the lands transferred to the Department of Agriculture, lands originally a part of the public domain and not acquired pursuant to statute, then as to such lands, the revenues from the mineral leasing thereof would be for disposition as otherwise provided for mineral revenues generally. The second question is answered accordingly.

Sincerely yours,

Lindsay C. Warren

Comptroller General
of the United States.

LEASES
Public property
Mineral leases
Revenue disposition

COLLECTIONS
Accounting, disposition, etc.
Mineral leasing revenues