



A-7959

COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON

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JAN 29 1932  
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The Honorable,

The Secretary of the Interior.

Sir:

I have your letter of January 15, 1932, referring to decision of December 30, 1931, A-7959, which held that the appropriations made for the construction of works authorized by the act of December 21, 1923, 45 Stat. 1057, known as the Boulder Canyon Project Act, are available for the procurement of abstracts of title or of certificates of title, with or without the insurance feature as an incident thereto.

There are set out in your letter the three steps taken in the practice hitherto prevailing when land is purchased for the Bureau of Reclamation and you state that under the plan contemplated in your letter of November 17, 1931, it is proposed to substitute therefor the commercial practice of buying a certificate of title with title insurance and to rely thereon without further examination of the title.

In the second paragraph of your letter you state that the decision of December 30, 1931, is to the effect that the determination of the certifier may not be substituted for your determination of the validity of the title, and that purchases of title insurance are permissible, if necessary, to enable you to determine

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the validity of the title to the land to be acquired. What the decision really held is that the procurement of the abstracts of title or certificates of title, with or without the insurance feature as an incident thereto, is authorized, payment to be made under the appropriation available for the purchase price of the land to be acquired if, in the exercise of your discretion, such abstracts or certificates are necessary for you to determine the validity of the title to the land to be acquired. In other words, the responsibility for the determination of the validity of title to the land to be acquired is upon you and may not be shifted to a title company but in arriving at your determination it is for you to decide whether you will rely on a certificate of title in accordance with the prevailing local practice in the matter of land transfers, or on the opinion of some of your subordinates after an examination of an abstract or the original land records. Hence, there would appear to be no objection to the procedure of substituting a certificate of title for the abstract of title used under the former procedure for determining the condition of the title but the determination of the validity of the title must be by you, either in person or through subordinates duly authorized to perform such function in your stead.

No additional steps or requirements were contemplated in the decision of December 30, 1931, but there must be in all cases a

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clear showing that the validity of the title to the land to be paid for has been determined by you as heretofore indicated.

Respectfully,

(Signed) J. E. McFarland  
Comptroller General  
of the United States.