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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON 25

NOV 8 1950 ✓

B-77467

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The Honorable

The Secretary of Agriculture

My dear Mr. Secretary:

Reference is made to letter of October 24, 1950, from the Assistant Secretary in response to request of August 24, 19<sup>50</sup>40, for your views with respect to the practice of the Soil Conservation Service of leasing lands covered by Title III of the Bankhead-Jones Farm Tenant Act at reduced rentals in return for the performance by the permittees or lessees of improvements, etc., to the lands, thus resulting in what appeared to be an augmentation of your Department's annual appropriation for "Land Utilization and Retirement of Marginal Land," and resulting, also, in what appeared to be a diversion of funds otherwise payable to the county or counties in which such lands are situated.

The letter of October 24, cites particularly as authority for such practice the provisions of section 32(c) of the act, <sup>50 STAT. 526,</sup> supra, 7 U.S. Code 1011(c), which authorizes the Secretary "To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of sections 1010-1013 of this title."

B-77467

The said letter indicates that the condition of the land determines whether certain land use practices--it being understood that fencing and the providing of water tanks properly may be classified as land use practices--are to be imposed upon permittees or lessees, and that the fees or rentals are established in relation to the value of the use of the land as it may be used under the required land use practices. In that connection, it is pointed out that the lands which can be used under the act without the necessity of imposing additional land use practices have a greater value than lands which, because of their condition, require the imposition of special land use practices upon permittees or lessees at their own expense.

Considering the broad purpose of Title III of the Bankhead-Jones Farm Tenant Act, and especially the authority vested in the Secretary by section 32(c) thereof to lease lands, with or without consideration, under such terms and conditions as will best accomplish the purpose of the act, no further question will be raised by this Office with respect to what had appeared to be an augmentation of funds resulting from the leasing practices referred to in Office letter of August 24, 1950. B-77467 ✓

Moreover, in view of the foregoing, it now appears that no diversion of funds otherwise payable to the counties in which the lands are situated would result from the above-mentioned leasing practices. Section 33 of the act, (50 Stat 526 ✓) 7 U.S. Code 1012, requires that 25 per centum of the "net revenues received by the Secretary" from the use of the land shall be paid to the county or counties in which the land is held by the Secretary. As stated in your Department's letter,

it seems obvious that said section 33 requires payments to counties of no more than 25 percent of what the Secretary actually receives. Accordingly, no further objection will be interposed by this Office in that respect.

Sincerely yours,

cc: [illegible]

Comptroller General  
of the United States

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LEASES

Public property

Rent

Improvements as part of rental

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APPROPRIATIONS

Augmenting

Land improvements as part of rental

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