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B-145801 September 20, 1961

Number: B-145801

Date: 1961-09-20

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Mr. P.M. Ekren Special Member of School Board Kensal School District Numbered 19 Kensal, North Dakota

Dear Mr. Ekren:

Reference is made to your telegram of September 14, 1961, requesting that we inform the Chairman of the Senate Committee on Commerce of our approval of S. 1806. The bill would direct the Secretary of the Interior to pay your school district the sum of $200,000 as compensation for loss in revenue resulting from Federal acquisition of real property situated within the District which was incorporated in the Arrowwood National Wildlife Refuge.

You urge that it would be better integrity and good precedent to pay this money to your District which you say has the most Federal tax exempt land on the Nation; that for nearly 30 years the taxpayers of the District have been bearing an added burden; and that now you must go into a 40-year bond issue to build a new school plant.

The desirability of the proposed legislation is a matter primarily for the determination of the Congress and we therefore can make no recommendation to the Committee with respect to the desirability of its enactment. We should like, however, to make the following comments.

We are of the opinion that enactment of S. 1806 would establish a precedent for a flood of demands by various political entities for similar legislation. In view of the considerable acreage already acquired by the Government for wildlife and other public purposes and the anticipated acquisitions for future requirements, it is believed that satisfaction of such demands would reach substantial proportions. In any event, there is for consideration in this regard section 401 of the act of June 15, 1935, as amended, 16 U.S.C. 715s, which provides for the annual payment by the Secretary of the Interior to the county for the annual payment by the Secretary of the Interior to the county in which a Federal wildlife refuge is situated of 25 percent of the net proceeds derived from disposition of any of the refuges' surplus wildlife; spontaneous products of the soil; shell, sand or gravel; or other privileges therein. Payments made under section 401 are required to be expended for the benefit of the public schools and roads in the county concerned. We believe that such payments are in mitigation of any loss in tax revenue to the county, or its political subdivision, through removal from its tax rolls of real property acquired by the Government and should be taken into account therewith.

Sincerely yours,

FRANK H. WEITZEL Assistant Comptroller General of the United States