

title, amending section 835c, 835c-1, 835c-2, 835c-4 of this title, repealing sections 835a, 835b, 835c-3, and 835c-5 of this title, and enacting provisions set out as notes under sections 835a, 835b, and 835c of the title] becoming effective to bind the United States, that district's share of the operation and maintenance funds expended or obligated for the construction of drainage works including appropriate interest thereon during calendar years 1960, 1961, and 1962 shall be capitalized and charged as a part of the construction cost of the project assigned directly to irrigation and the Secretary shall either refund to it or give it credit for (as it may elect) all operation and maintenance payments (including interest paid by it in connection therewith) which it has made for the construction of drainage works during those years, such credit, if so elected by the district, to be applied against future development period and/or construction charges of the district as they become due."

SALE OF PROJECT LANDS TO STATE OF WASHINGTON

Pub. L. 86-52, June 23, 1959, 73 Stat. 87, provided: "That notwithstanding any provisions of sections 2(b)(iii), 2(b)(iv), and 4(b) of the Columbia Basin Project Act, as amended [former section 835a(b)(iii), (iv) of this title and section 835c(b) of this title] (16 U.S.C., ch. 12D) [this chapter], conformed farm units, or portions of farm units, comprising not more than six hundred and forty acres of irrigable land on the Columbia Basin project may be sold by the Secretary of the Interior and others to the State of Washington for use by the State College of Washington for agricultural research purposes, and water may be delivered from, through, or by means of the project works to or for conformed farm units comprising no more than that acreage, as non-excess lands, whether so acquired or already held by the State, as long as they are used for those purposes. Except as otherwise provided in this Act, any lands sold to the State under this Act shall be governed by the provisions of the Columbia Basin Project Act, as amended [sections 835, 835a to 835c-5 of this title] and regulations of the Secretary issued pursuant thereto."

Pub. L. 86-52 was amended to permit delivery of water to State owned lands, see section 7 of Pub. L. 87-728, set out as a note below.

DELIVERY OF WATER TO STATE OWNED LAND

Section 7 of Pub. L. 87-728 provided that: "The Act of June 23, 1959 (73 Stat. 87) [set out as a note above] is hereby amended to permit delivery of water to not to exceed six hundred and forty acres of irrigable lands whether or not said lands are in conformed farm units, owned by the State of Washington for use by the Washington State University for agricultural research purposes."

DELIVERY OF WATER TO FARMS PLATTED PRIOR TO OCTOBER 1, 1962, EXCEEDING 160 ACRES

Pub. L. 87-728, §5(a), Oct. 1, 1962, 76 Stat. 679, provided that: "Notwithstanding the provisions of the Federal reclamation laws [for definition, see section 835-1 of this title], water may be delivered to farm unit platted before the enactment of this Act [Oct. 1, 1962] that contains a nominal quarter section of land exceeding one hundred and sixty irrigable acres insofar as those provisions limit the delivery of water to irrigable lands in excess of one hundred and sixty irrigable acres."

§ 835c. Duties of Secretary of the Interior

(a) Administer, sell, and exchange lands, dedicate portions for public purposes, etc.

For the purposes of assisting in the permanent settlement of farm families, protecting project land, and facilitating project development, the Secretary is authorized to administer public lands of the United States in the project area and lands acquired under this section; to sell,

exchange, or lease such lands; to dedicate portions of such lands for public purposes in keeping with sound project development; to acquire in the name of the United States, at prices satisfactory to him, such lands or interests in lands, within or adjacent to the project area, as he deems appropriate for the protection, development, or improvement of the project; and to accept donations of real and personal property for the purposes of this Act. Any moneys realized on account of donations for purposes of this Act shall be covered into the Treasury as trust funds.

(b) Terms of contracts; qualifications of applicants; prohibited disposals

Contracts, exchanges, and leases made under this section shall be on terms that, in the Secretary's judgment, are in keeping with sound project development. In addition, land sale and exchange contracts shall be on a basis that, in the Secretary's judgment, provides for the return, in a reasonable period of years, of not less than the appraised value of the land and improvements thereon. Qualification of applicants for the purchase of land for irrigation farming shall be prescribed as provided in section 433 of title 43, notwithstanding any other provisions of law. No farm unit shall be sold to, and no contract to sell a farm unit shall be entered into with, any person, corporation, or joint-stock association which has theretofore purchased or entered into a contract to purchase a farm unit from the United States on the Columbia Basin project. The foregoing provisions of this subsection shall apply only to the sale of farm units which are suitable for settlement purposes. Farm units which, in the opinion of the Secretary, are not suitable for settlement purposes may be sold with a preference to resident project landowners as supplemental units, subject to the applicable irrigable acreage limitations on the delivery of water, but the purchasers thereof shall not be entitled to benefits of the Act of August 13, 1953 (67 Stat. 566) [43 U.S.C. 451 et seq.] with respect thereto.

(May 27, 1937, ch. 269, §4, 50 Stat. 210; Mar. 10, 1943, ch. 14, 57 Stat. 18; Sept. 26, 1950, ch. 1048, §1(4), 64 Stat. 1037; Pub. L. 85-264, §1(d), Sept. 2, 1957, 71 Stat. 591; Pub. L. 87-728, §3, Oct. 1, 1962, 76 Stat. 678.)

REFERENCES IN TEXT

This Act, referred to in subsec. (a), is act May 27, 1937, ch. 269, as amended generally by act Mar. 10, 1943, ch. 14, 57 Stat. 14, known as The Columbia Basin Project Act, which enacted this section, sections 835, 835a, 835b, and 835c-1 to 835c-5 of this title, and provisions set out as a note under section 835 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 835 of this title and Tables.

Act of August 13, 1953, referred to in text, is act Aug. 13, 1953, ch. 428, 67 Stat. 566, as amended, which is classified generally to subchapter VII (§451 et seq.) of chapter 12 of Title 43, Public Lands. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

1962—Subsec. (a). Pub. L. 87-728 struck out provisions stating as a purpose of this section the prevention of speculation in project lands, and deleted from among the duties of the Secretary, those to establish town sites on such lands, and to disseminate information by appropriate means and methods.

Subsec. (b). Pub. L. 87-728 authorized farm units which are not suitable for settlement purposes to be sold with a preference to resident project landowners as supplemental units, subject to the applicable irrigable acreage limitations on the delivery of water, and prohibiting purchasers thereof from receiving benefits of the Act of August 13, 1953, with respect thereto, eliminated provisions which required land sale and exchange contracts, in the case of lands to be included in farm units, to provide for the application of provisions similar to those of the recordable contracts provided under section 835a(c) of this title, and each applicant for the purchase of land for irrigation farming to agree that he, his heirs and assigns will not, except with the Secretary's approval, sell, assign, lease, or otherwise dispose of his land during a period ending five years from the date of his purchase contract, and prohibiting applications for a farm unit from any person who, or a member of whose family, then has outstanding another application for a farm unit on the project or to whom a farm unit could not at the time of application lawfully be sold under sections 835 and 835a to 835c-5 of this title, substituted provisions prohibiting the sale of a farm unit to, and the entering into a contract to sell a farm unit with, any person, corporation, or joint-stock association which has theretofore purchased or entered into a contract to purchase a farm unit from the United States on the Columbia Basin project for provisions which prohibited the sale of a farm unit to, and the entering into a contract to sell a farm unit with, any person, corporation, joint-stock association, or family which has theretofore purchased or entered into a contract to purchase a farm unit under sections 835 and 835a to 835c-5 of this title or which then owns a farm unit within the Columbia Basin project, but not precluding a purchase or contract to purchase by a person, otherwise eligible, whose farm unit has been or is acquired by the United States for exchange purposes or, if he is 18 years of age or older, whose family purchased or entered into a contract to purchase a farm unit at a time when he was under 18 years of age.

1957—Subsec. (b). Pub. L. 85-264 inserted provisions to require applicant's agreement not to dispose of his land for 5 years from the date of his purchase contract except with approval of Secretary, to prohibit receiving application from a person who, or a member of whose family, has outstanding another application, or to whom a unit could not at the time of application be lawfully sold, and to prohibit sale or contracts of sale with those who theretofore purchased or contracted to purchase, a unit under sections 835 and 835a to 835c-5 of this title, or then own a unit within the project.

1950—Subsec. (b). Act Sept. 26, 1950, permitted the Secretary to make recordable contract provisions applicable to lands to be included in farm units.

1943—Act Mar. 10, 1943, amended section generally.

AMENDMENT OF CONTRACTS, INSTRUMENTS, RULES, REGULATIONS, FORMS, AND PROCEDURES

Section 4 of Pub. L. 87-728 provided that: "The Secretary is hereby authorized and directed to amend or modify all existing contracts, instruments, rules, regulations, forms, and procedures entered into or issued under the Columbia Basin Project Act, as amended (16 U.S.C., chap. 12D) [sections 835 and 835a to 835c-5 of this title] prior to the date of enactment of this act [Oct. 1, 1962] to conform to the provisions of this Act [enacting section 835-1 of this title, amending sections 835c, 835c-1, 835-2, 835c-4 of this title, repealing sections 835a, 835b, 835c-3, and 835c-5 of this title, and enacting provisions set out as notes under sections 835a and 835b of this title]."

AMENDMENT OF CONTRACTS, DEEDS OR DOCUMENTS BY SECRETARY

Section 2 of Pub. L. 85-264 provided that: "The Secretary of the Interior is authorized to amend any contract, which has been entered into prior to the date of enactment of this Act [Sept. 2, 1957], or any existing

deed or other document to conform with the provisions of the first section of this Act [amending this section and section 835a of this title]. The consent of the United States is hereby given to the recording, at the expense of the party benefited thereby, of any such amendment."

COULEE DAM COMMUNITY ACT OF 1957

Pub. L. 85-240, Aug. 30, 1957, 71 Stat. 524, provided:

"[SEC. 1. PURPOSE LANDS INCLUDED]. That it is the purpose of this Act, in connection with the Columbia Basin project, to authorize the disposal of certain Federal property in the unincorporated area in the State of Washington commonly known as the town of Coulee Dam in order that the United States may withdraw from the ownership and operation of the town and that the people of that area may enjoy self-government, to facilitate the establishment by them of a municipal corporation under the laws of the State of Washington, and to authorize the disposal of certain Federal property in and in the immediate vicinity of the city of Grand Coulee, Washington, in order to reduce restrictions on the growth thereof. The area herein referred to as the town area is situated in Douglas, Grant, and Okanogan counties and comprises the following lands:

"Douglas County: Township 29 north, range 30 east, Willamette meridian, section 36, lots 2, 3, 4, east half southwest quarter and southwest quarter southwest quarter.

"Grant County: Township 28 north, range 30 east, Willamette meridian, section 1, lots 1 and 2.

"Okanogan County: Township 28 north, range 31 east, Willamette meridian, section 6, lot 3.

"Township 29 north, range 30 east, Willamette meridian, section 36, lots 5, 6, and 7.

"Township 29 north, range 31 east, Willamette meridian, section 30, all those portions of the south 300 feet of lot 4 included within the area conveyed to the United States of America by warranty deed executed by Charles E. Hopkins, and others on September 11, 1946, and recorded in book 107 of deeds at pages 175 and 176 under Okanogan County auditor's file numbered 346972 and by warranty deed executed by Charles E. Hopkins, and others on November 7, 1945, recorded in book 102 of deeds at pages 441 and 442 under Okanogan County auditor's file numbered 339487.

"Section 31, west half northeast quarter, southeast quarter northwest quarter, east half southwest quarter, northwest quarter northwest quarter southeast quarter, and lots 1, 2, 3, and 4.

"The area herein referred to as the Grand Coulee area is situated in Grant County and comprises the following lands:

"Township 28 north, range 30 east, Willamette meridian, section 11, south one-half north one-half north one-half southwest one-quarter, northeast one-quarter southeast one-quarter.

"The term 'the municipality', as used in this Act, refers to any municipal corporation organized hereafter embracing any part of the town area described.

"SEC. 2. [AUTHORITY OF SECRETARY TO SELL PROPERTY]. Except for property, disposal of which is authorized under section 6 of this Act, the Secretary of the Interior, hereinafter referred to as the Secretary, is authorized to sell all lands and improvements situated in the town and Grand Coulee areas which was acquired or built by the United States for the construction, operation, and maintenance of Grand Coulee Dam and its appurtenant works and which is not needed for Federal purposes. Such disposals shall be made in accordance with the terms and conditions set forth in section 3 of this Act, but lands to be sold in the Grand Coulee area shall be sold at public sale to the highest responsible bidder.

"SEC. 3. [MANNER OF DISPOSAL PRIORITY OF PURCHASERS; TERMS OF SALE]. (a) All land authorized to be sold under section 2 of this Act which, when offered for sale, is occupied by improvements owned by the United States shall be sold with the improvements in place.

"(b) Of the property authorized to be sold under section 2 of this Act, lands in the town area occupied by

dwelling units shall be sold in accordance with the following terms and conditions:

“(1) First priority to purchase shall be given to the tenant of the United States in the town area who occupies the land and dwelling unit to be sold. The land and dwelling unit shall be offered at the appraised value as established under section 5 less any applicable discounts under this Act. This right of priority shall expire unless a deposit of earnest money in an amount to be fixed by the Secretary is received by him before the expiration of sixty days after the date on which the property has been offered for sale, and the right of priority shall be deemed abandoned unless within an additional one hundred and eighty days the prospective purchaser shall have signed a contract to purchase the property.

“Any tenant having a priority under (1) who desires to continue to rent the property occupied by him rather than to purchase it may assign his priority to a person who has entered into a valid contract to lease the property back to him. The Secretary may permit such other assignments of priorities under (1) as he finds to be fair and equitable. Assignments under this paragraph shall be subject to such general rules and regulations as the Secretary may prescribe, including denial, in any instance where the Secretary in his judgment finds it proper, to the assignee concerned, or his successors, assigns, or legal representatives, of any discount in or rebate of the purchase price to which such person or persons would otherwise be entitled under this Act.

“(2) Second priority to purchase shall apply to property in the town area not purchased under (1) and shall be given to persons who are tenants of the United States in Federal housing in the town area or who would meet the requirements for eligibility to become such tenants under the most recent regulations of the Bureau of Reclamation for the assignment of persons to Federal housing in the town area. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be at the appraised value as established under section 5, less applicable discounts under this Act. Selection of dwelling units by successful applicants, to be accompanied by a deposit of earnest money fixed as under (1), shall be concluded within limits of time established by the Secretary, and thereafter the purchase shall be concluded in the same manner as provided under (1). A purchase under (1) or (2) shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under either (1) or (2).

“(3) Property not sold under (1) or (2) shall be opened to bids from the general public and shall be sold to the highest responsible bidder.

“(c)(1) Of the property authorized to be sold under section 2 of this Act, land in the town area occupied by privately owned improvements shall be offered for sale to the owner of such improvements at the appraised value as established under section 5 less applicable discounts under this Act. This preference right shall expire unless a deposit of earnest money in an amount to be fixed by the Secretary is received by the Secretary before the expiration of sixty days after the date on which the property has been offered for sale, and thereafter the purchase shall be concluded in the same manner as provided under subsection (b)(1) of this section.

“(2) Land not purchased by the owner of the improvements (except church or hospital improvements) thereon under (1) shall be made available for sale for a period of thirty days to those eligible for purchase under subsection (f) of this section, and thereafter shall be opened to bids from the general public and sold to the highest responsible bidder.

“(3) Land with church or hospital improvements thereon which has not been purchased by the owners of the improvements under (1) may be disposed of by advertising and competitive bids, or by negotiated sale or other transfer at such prices and on such other terms and conditions as the Secretary shall determine to be fair and equitable.

“(d)(1) Of the property authorized to be sold under section 2 of this Act, land in the town area occupied by improvements owned by the United States other than dwelling units shall be offered to the lessee of the United States in such improvements at the appraised value as established under section 5 less applicable discounts under this Act: *Provided*, That where there is more than one lessee in a given improvement and the Secretary finds it impractical to offer each lessee an interest in the property, the Secretary, pursuant to such standards as he deems appropriate, shall designate an order of priority among such lessees for acceptance of the offer of sale of such property, which shall be sold at the appraised value as established under section 5 less applicable discounts under this Act and pursuant to such other terms and conditions as the Secretary deems proper. Any preference or priority right under this paragraph shall expire unless a deposit of earnest money in an amount to be fixed by the Secretary is received by the Secretary before the expiration of sixty days after the date on which the property has been offered for sale, and thereafter the purchase shall be concluded in the same manner as provided under subsection (b)(1) of this section.

“(2) Property referred to in (1) which is not under lease granted by the United States or which has not been purchased under (1) shall be made available for sale for a period of thirty days to those eligible for purchase under subsection (f) of this section and thereafter may be opened to bids from the general public and sold to the highest responsible bidder.

“(e) Of the property authorized to be sold under section 2 of this Act, land in the town area which has not been improved or land from which the improvements have been removed shall be sold in accordance with the following terms and conditions.

“(1) Residential property in the town area shall be offered for sale to persons who are tenants of the United States in Federal housing in the town area or who would meet the requirements for eligibility to become such tenants under the most recent regulations of the Bureau of Reclamation for the assignment of persons to Federal housing in the town area. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing. No application shall be accepted from the spouse of any applicant or from a person, or the spouse of such person, who owns, has owned, or has contracted to buy other residential property in the town area. Sales shall be at the appraised value as established under section 5 less applicable discounts under this Act, and selection and purchase under this priority by successful applicants shall be concluded within limits of time to be established by the Secretary. Residential property which is not sold under the preceding provisions of this subsection shall be open to bids from the general public and shall be sold to the highest responsible bidder.

“(2) Property which at the time of sale is zoned for other than residential use, except such as is disposed of under subsection (f) of this section and land with church or hospital improvements thereon, shall be open to bids from the general public and shall be sold to the highest responsible bidder.

“(f) Of the property in the town area authorized to be sold under section 2 of this Act, except that which is covered by subsections (b), (c)(3), and (e)(1) of this section, land not purchased by the holders of a priority or preference under this section shall, for thirty days following the period during which holders of a priority or preference could purchase the same, be offered for sale at the appraised value as established under section 5 less applicable discounts under this Act to persons leasing property in the town area from the United States for business or commercial uses. The Secretary may, in his discretion, permit more than one lot to be included in a single purchase, but only if the property to be purchased is compact and contiguous. If two or more applicants to purchase under this subsection desire the same property, their order of opportunity to purchase shall be determined pursuant to a public drawing. A pur-

chase under this subsection shall render the purchaser and any spouse of such purchaser ineligible either to make an additional purchase under this subsection or to purchase the business or commercial property he is renting from the United States.

“(g) Any improvement owned by the United States located on lands in the town area subject to being purchased by the holder of a priority or preference right hereunder and not purchased, after being offered for sale, within one year following the expiration of the period within which the priority or preference right can be exercised, may be opened to bids from the general public and may be sold to the highest responsible bidder.

“(h) In all public sales of property under this Act to the highest responsible bidder, which shall include all sales of property to be sold in the Grand Coulee area, the Secretary shall reserve the right to reject all bids; and, in the event all bids are less than the appraised value of the property as established under section 5 or in the event no bids are received, the property shall be available for sale to the first taker from the general public at not less than aforesaid appraised value until all such property has been sold.

“(i)(1) Whenever the Secretary, on presentation of adequate evidence by a prospective purchaser or purchasers under subsections (b)(1) or (b)(2) of this section, shall determine that financing of purchases on reasonable terms cannot be arranged from other sources, he is authorized to enter into contracts with such purchasers under which the purchaser would not be required to make a downpayment of more than 10 per centum of the appraised value of the property as established under section 5 less applicable discounts under this Act and the remainder of the repayment obligation shall be paid on terms as to amount, repayment period, installments, and interest rate not more favorable to the purchasers than those which would be available were the purchases to be financed under mortgages eligible for insurance under subsection 223(a) of the National Housing Act, as herein amended [section 1715n(a) of Title 12]: *Provided*, That the Secretary may increase the interest rate by additional components equal to the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for property of a similar character) under subsection 223(a) of the National Housing Act, as herein amended [section 1715n(a) of Title 12], at the effective date of the aforesaid contracts.

“(2) Whenever the Secretary, on presentation of adequate evidence by a prospective purchaser or purchasers under subsections (c)(1), (d)(1), or (f) of this section, shall determine that financing of purchases on reasonable terms cannot be arranged from other sources, he is authorized to enter into contracts with such purchasers under which the purchaser would not be required to make a down payment of more than 10 per centum of the appraised value of the property as established under section 5, less applicable discounts under this Act. The remainder of the repayment obligation shall be paid with such terms as to amount, repayment period, installments, and interest rate as the Secretary shall determine to be fair and equitable.

“(3) The Secretary may assign any installment contract under this section at such times and on such terms and conditions as he deems appropriate. Any such assignment made at a discount shall be defeasible if within sixty days after receipt of notification of such assignment the original obligor of the assigned contract, or his successors, assigns, or legal representative, shall cause to be received by the Secretary a tender of the amount for which such assignment was made, in which event such tender shall be accepted as full payment of the contract.

“(j) Except in the case of property sold to the highest responsible bidder under this section or property sold to the first taker from the general public under subsection (h) of this section or by negotiated sale under subsection (c)(3) of this section, persons purchasing property under this section or their successors, assigns,

or legal representatives, shall be entitled to a discount in the purchase price at the time they enter into a purchase contract equal to 5 per centum of its appraised value as established under section 5 and, in the event of incorporation of the municipality within four years from the date of this Act [Aug. 30, 1957], they shall be entitled to an additional discount in the purchase price (or rebate as appropriate) equal to 10 per centum of the aforesaid appraised value.

“(k) In establishing rules and regulations governing sales of property in the town area under this section, and in determining the terms and conditions of such sales other than those prescribed in this Act, the Secretary shall consult with the representatives of the Coulee Dam Community as determined by him.

“SEC. 4. [SECTION AMENDED SECTION 1715n(a)(3) OF TITLE 12, BANKS AND BANKING].

“SEC. 5. [APPRAISALS AND REAPPRAISALS OF VALUE]. The appraised values referred to in section 3 of this Act shall be determined from time to time for a period of five years after the date of this Act [Aug. 30, 1957] by the Administrator of Housing and Home Finance Agency or his designee at the request of the Secretary. Thereafter, the Secretary may make such reappraisals as he deems necessary. Appraisals or reappraisals in the town area shall be made only after representatives of the Coulee Dam community, as determined by the Secretary, and of the Columbia River Commission, or such corresponding organization as may succeed it, have been granted an opportunity to offer advice. All appraisals and reappraisals shall be made on the basis of the properties' fair market value in the locality. In the sale of property to a tenant under subsections 3(b)(1) and (3)(d)(1) of this Act, the value of structural improvements made at such tenant's own expense shall, to the extent the appraiser or appraisers hereunder determine that such improvements actually enhance the value of the property, be deducted from what would otherwise be the appraised value of the property to be sold; and the difference shall be deemed the appraised value for the purposes of this Act.

“SEC. 6. [AUTHORITY OF SECRETARY TO TRANSFER PROPERTY AND FACILITIES]. The Secretary is authorized to transfer without cost out of the properties in his custody within the town and Grand Coulee areas ownership of—

“(a) any Federally owned municipal-type property and facilities together with rights-of-way therefor, equipment, materials, and supplies, in or serving said areas, including but not limited to the sewer, water, fire-alarm, street-lighting, electric feeder lines, and power-distribution systems, and the highways, streets, alleys, sidewalks, parks, and parking areas to the municipality or Grand Coulee if their respective areas are substantially served by such properties. Any such transfer to the municipality, however, will not be made unless the town area or a part thereof is incorporated within four years from the date of this Act [Aug. 30, 1957];

“(b) the school buildings and grounds, athletic fields, tennis courts, and other properties currently used for educational purposes to the appropriate school district; and

“(c) highway improvements in and connecting the town and Grand Coulee areas and the bridge across the Columbia River, together with the necessary rights-of-way therefor to the State of Washington.

“SEC. 7. [AVAILABILITY OF FUNDS]. (a) There is hereby made available out of the proceeds of sales made pursuant to section 3 of this Act an amount not to exceed \$130,000 for expenditure, directly or through the local units of government involved, for work in connection with the disposal of sewage in the immediate vicinity of the town of Coulee Dam and the city of Grand Coulee, including betterment work on the existing open drain along the north side of the highway through the city of Grand Coulee. Of this amount the Secretary shall pay not more than \$100,000 to Grand Coulee and not more than \$30,000 to the municipality. Except to the extent that any expenditures have been made di-

rectly as provided in the preceding sentence, the Secretary shall, upon application, pay to Grand Coulee the amount of \$10,000 and to the municipality the amount of \$3,000 for engineering surveys and drafting of specifications for proposed construction and/or improvement of sewage disposal and drainage facilities. After final drawings and specifications have been approved by the Secretary and the construction contracts have been entered into, the Secretary shall pay monthly to Grand Coulee and to the municipality additional amounts equivalent to earnings under their contracts as evidenced by construction progress reports certified by their contractors and by Grand Coulee and the municipality, but not to exceed a total of \$90,000 for the former and \$27,000 for the latter.

“(b) Subject to the provisions of subsection 9(a) of this Act, the following amounts shall be made available, out of the proceeds of sales made pursuant to section 3 of this Act, to the municipality if incorporated within four years from the date of this Act [Aug. 30, 1957]: (1) On incorporation, \$44,000; (2) at the end of one year after incorporation, \$21,000; and (3) at the end of two years after incorporation, \$15,000.

“(c) The Secretary is hereby authorized to make available as herein provided, as power and energy reserved for the operation and maintenance of the Columbia Basin project, for users in the town area and, to other communities within three and one-half miles of Grand Coulee Dam which are served by municipally owned distribution systems such amount of power and energy as, in his judgment, is needed to meet load requirements for space-heating purposes existing at the time of incorporation of the municipality. Such power and energy may be made available directly to the users or indirectly through distributing agencies, for a period of ten years from the date of this Act [Aug. 30, 1957] and may be at such special rates as the Secretary finds to be proper but at not less than cost.

“SEC. 8. [TAXES ON PROPERTY SOLD UNDER CONTRACTS DEFERRING TRANSFER OF TITLE]. Property sold under any contract deferring transfer of title pending payment of the purchase price upon recordation of such contract in the county records shall be subject to the provisions of the laws of the State of Washington relating to the assessment and collection of property taxes, and to liens for such taxes and to all proceedings for the enforcement thereof, in the same manner and to the same extent as privately owned property. The United States does not assume any obligation for the amounts so assessed or taxed; and any proceedings to enforce them shall be subject to any title then remaining in the United States and to any prior lien reserved to the United States for unpaid installments under sale contracts made hereunder.

“SEC. 9. [PROCEEDS FROM SALES]. (a) All proceeds from sales of property (including the assignment of contracts) authorized under section 2 of this Act are hereby appropriated for expenditure by the Secretary for (1) expenses of disposal of Federal property under this Act, including rebates, where appropriate, to vendees of the United States entitled to the discount provided under section 3 of this Act for attainment of early incorporation of the municipality, and (2) for purposes authorized in subsection 7(a) and (1) of subsection 7(b) of this Act: *Provided*, That amounts referred to in (2) and (3) of subsection 7(b) of this Act shall be expended only after specific appropriation has been made by Congress therefor. So much of the aforesaid proceeds as is in excess of amounts which may be necessary for expenditures referred to in this subsection shall be covered into the reclamation fund.

“(b) Transfers under this Act of Federal property to non-Federal ownership shall not result in any diminution of the reimbursable costs of the Columbia Basin project except to the extent that any net proceeds from sales of property under this Act are credited to said project.

“SEC. 10 [RIGHTS UNDER LEASES]. Transfers of Federal property under this Act shall not impair rights under leases granted by the United States.

“SEC. 11. [POWERS OF SECRETARY; RULES AND REGULATIONS; APPROPRIATION; CONTRACTS]. (a) The Secretary is authorized to perform such acts, to make such rules and regulations, and to include in any contracts and conveyances such provisions as he deems proper for the purpose of carrying out the provisions of this Act, including provisions for payment for furnishing of municipal facilities and services while such facilities and services are provided by the United States and for the establishment of liens in connection therewith. There are hereby authorized to be appropriated such sums, not otherwise appropriated, as may be required to carry out the purposes of this Act. Wherever in this Act functions, powers, and other duties are conferred upon the Secretary, such functions, powers, and duties may be performed, exercised, or discharged by his duly authorized representatives.

“(b) The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department of the Interior within or near Coulee Dam as will, in the Secretary's judgment, contribute substantially to the efficiency or economy of the operations of the Department of the Interior.

“(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith.

“SEC. 12. [SHORT TITLE]. This Act may be cited as the ‘Coulee Dam Community Act of 1957.’”

§ 835c-1. Taxation and assessments; applicability of State laws

(a) Payments in lieu of taxes

The Secretary may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property situated therein after it is acquired pursuant to the authority of this Act and before execution by the United States of a contract of sale covering it, out of funds derived from the leasing of such lands. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision as the case may be upon such property if it were not exempt from taxation thereby.

(b) Lands acquired by United States

Any public lands within the project and any lands or interests in lands acquired by the United States under this Act, beginning at such date or dates and subject to such provisions and limitations as may be fixed or provided by regulations made under section 8 [16 U.S.C. 835c-4], shall be (i) subject to the provisions of the laws of the State of Washington relating to the organization, government, and regulation of irrigation, reclamation, and conservancy districts, and (ii) subject to legal assessment or taxation by any such district, and to liens for such assessments and taxes and to all proceedings for the enforcement thereof, in the same manner and to the same extent as privately owned lands of like character. The United States does not assume any obligation for amounts so assessed or taxed; and any proceedings to enforce them shall be subject to any title then remaining in the United States, to any prior lien reserved to the United States for unpaid installments under land sale contracts made under this Act, and to any lien for any other charges, accrued or un-