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114TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 114-322

CONVEYANCE OF THE REVERSIONARY INTERESTS OF THE UNITED STATES IN AND TO CERTAIN NON FED- ERAL LAND IN GLENNALLEN, ALASKA

SEPTEMBER 6, 2016.—Ordered to be printed

Ms. MURKOWSKI, from the Committee on Energy and Natural
Resources, submitted the following

R E P O R T

[To accompany S. 2018]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 2018) to convey, without consideration, the reversionary interests of the United States in and to certain non-Federal land in Glennallen, Alaska, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of S. 2018 is to convey, without consideration, the reversionary interests of the United States in and to certain non-Federal land in Glennallen, Alaska.

BACKGROUND AND NEED

In 1961, the Secretary of the Interior patented 210 acres of land in Glennallen, Alaska, to the Central Alaska Mission (patent number 1221491) under the Recreation and Public Purposes Act of 1926 (R&PP Act, 43 U.S.C. 869 *et seq.*). In accordance with the Act, the patent contains a reversionary clause, which provides that title to the land will revert to the United States if the tract is used for a non-public purpose. The Central Alaska Mission established a religious college, the Alaska Bible College, as well as the region's only radio station and the town's only hospital, on the tract. The Central Alaska Mission subsequently transferred the patents to SEND North, another nonprofit organization, under the provisions of the Act.

SEND North now wishes to sell the land but cannot find a qualified buyer under the R&PP Act because of the reversionary clause in the patent. It considered purchasing the reversionary interest from the United States, but the fair market value of the tract has been appraised at \$210,000, which is more than the nonprofit organization can afford to pay.

Legislation is needed to convey the reversionary interest of the United States to the landowner without consideration. The land is located in the business center of Glennallen, Alaska. It is not suitable for a park. It is not needed for any federal purpose or facility, given its location in a remote and sparsely populated area of east central Alaska. Further, being inside the Glennallen city limits and under local ordinance, the land is prohibited from reverting to its natural vegetative state.

LEGISLATIVE HISTORY

Senator Murkowski introduced S. 2018 on September 9, 2015. The Subcommittee on Public Lands, Forests, and Mining held a hearing to consider S. 2018 on April 21, 2016.

The Committee on Energy and Natural Resources met in open business session on July 13, 2016, and ordered S. 2018 favorably reported.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on July 13, 2016, by a majority voice vote of a quorum present, recommends that the Senate pass S. 2018.

SECTION-BY-SECTION ANALYSIS

Section 1. Conveyance of reversionary interest, Glennallen, Alaska

Section 1 provides definitions and directs the Secretary to convey the reversionary interests of the United States in and to the non-federal land in Glennallen, Alaska to the landowner without consideration. This section further directs the Secretary to provide exact legal descriptions of the non-federal lands and assigns all costs associated with the conveyance to the landowner.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 25, 2016.

Hon. LISA MURKOWSKI,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2018, a bill to convey, without consideration, the reversionary interests of the United States in and to certain non-Federal land in Glennallen, Alaska.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jeff LaFave.

Sincerely,

KEITH HALL.

Enclosure.

S. 2018—A bill to convey, without consideration, the reversionary interests of the United States in and to certain non-Federal land in Glennallen, Alaska

S. 2018 would direct the Bureau of Land Management (BLM) to convey, without consideration, a reversionary interest in 210 acres of land in Glennallen, Alaska to SEND North, a non-profit organization. Based on an analysis of information provided by BLM, CBO estimates that enacting the bill would reduce offsetting receipts, which would have the effect of increasing direct spending, by \$105,000 over the 2017–2026 period; therefore, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

In 1961, BLM conveyed 210 acres of federal land to a non-profit organization under the condition that the land be used for providing education, medical, and religious services. If, at any time, the affected lands are used for any other purpose, they would revert back to federal ownership. The bill would eliminate BLM's reversionary interest in the property allowing SEND North, the organization currently in possession of those lands, to use or dispose of the property without restrictions.

In 2011, SEND North entered into negotiations to purchase BLM's reversionary interest in the affected lands. A subsequent appraisal determined that the fair market value of the property was \$210,000. On April 7, 2016, BLM published a Notice of Realty Action in the Federal Register indicating the agency's desire to conduct a non-competitive sale of the reversionary interest in the property to Send North. Any proceeds from that sale will be deposited in the U.S. Treasury as offsetting receipts. Under the bill, the reversionary interest would be conveyed to SEND North without consideration.

Because the BLM decision to sell the reversionary interest to SEND North has not been finalized and no sales agreement has been reached between the parties, it is uncertain whether the sale will be completed under current law. However, based on the parties' mutual interest in consummating the sale, CBO expects that there is a 50 percent likelihood that a sale will occur within the next 10 years. Thus, after accounting for that uncertainty, CBO estimates that enacting the bill would reduce offsetting receipts by \$105,000 over the 2017–2026 period.

S. 2018 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 2018. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 2018, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 2018, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

The testimony provided by the Bureau of Land Management at the April 21, 2016, Subcommittee on Public Lands, Forests, and Mining hearing on S. 2018 follows:

STATEMENT OF MIKE POOL, ACTING DEPUTY DIRECTOR, BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

Thank you for inviting the Department of the Interior to testify on S. 2018, which provides for the conveyance of the Federal government's reversionary interest in certain land located in the City of Glennallen, Alaska, to SEND North, a not-for-profit organization located in Anchorage, Alaska. While the Department supports the goal of conveying the reversionary interest to SEND North, we cannot support S. 2018 in its current form. The Department could support S. 2018 if it were amended to ensure the payment of fair market value for the conveyance of the reversionary interest.

BACKGROUND

The Bureau of Land Management (BLM) regularly transfers public land to local governments and nonprofits for a variety of public purposes. These transfers are typically accomplished under the provisions of the Recreation and Public Purposes Act (R&PP) or through direction supplied through specific Acts of Congress. The R&PP Act is a statute frequently used by the BLM to help states, local communities, and nonprofit organizations obtain lands at no or low cost for important public purposes. Examples include parks, schools, hospitals and other health facilities, fire and law enforcement facilities, courthouses, social services facilities, and public works. Because these lands are transferred at far below market value, R&PP conveyances and many similarly legislated conveyances include a

reversionary clause requiring that lands be used for public purposes or revert to the Federal government. Over the years, the BLM has addressed many requests to release the Federal government's reversionary interest in such lands and has consistently required the payment of fair market value for the reversionary interest.

In 1961, a 210-acre parcel of Federal land was patented to the Central Alaska Mission under the authority of the R&PP Act. The Mission came to Glennallen, Alaska, to assist the Glennallen community and the surrounding area with not-for-profit educational, medical, and religious services. The patent was subsequently transferred under the provisions of the R&PP Act to the non-profit organization SEND North.

The BLM is currently considering a request by SEND North to purchase at fair market value the Federal government's reversionary interest in the 210 acres patented in 1961. On April 7, 2016, the BLM published a Notice of Realty Action in the Federal Register providing an opportunity to comment on the proposed sale. The public comment period for this action will remain open until May 9, 2016. The proposed non-competitive direct sale is consistent with the BLM's East Alaska Resource Management Plan approved in September 2007. The BLM understands that after acquiring the reversionary interest, SEND North would like to sell or transfer the parcels for commercial development without threat of reversion for breach of patent conditions.

S. 2018

S. 2018 would convey, without consideration, the reversionary interest of the United States in the land identified in the bill to SEND North, and requires the organization to pay all costs associated with the conveyance.

The BLM supports the goal of conveying the reversionary interest in this land to SEND North, but cannot support S. 2018 as currently written. The BLM recommends amending the legislation to ensure the payment of fair market value for the reversionary interest.

CONCLUSION

Thank you for the opportunity to testify. We look forward to working with the sponsor and the Committee to address the needs of the landowner and the city of Glennallen.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill as ordered reported.