

Public Law 519

CHAPTER 560

July 22, 1954
[H. R. 6342]

AN ACT

To amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL SERVICES ADMINISTRATION

SEC. 101. The Public Buildings Act of 1949 is amended by (1) redesignating section 411 thereof as section 412, and (2) inserting, immediately after section 410 thereof, the following new section:

"SEC. 411. (a) Whenever the Administrator of General Services determines that (1) the needs for space for the permanent activities of the Federal Government in any particular area cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, and (2) the best interests of the United States will be served by taking action hereunder, he is hereby authorized to obtain and provide space for the accommodation of activities of the Government in the several States, the District of Columbia, and the Territories and possessions of the United States (including Guam), except for the accommodation of activities of the Post Office Department, by negotiating and entering into purchase contracts, the terms of which shall not be less than ten nor more than twenty-five years and which shall provide in each case that title to the property shall vest in the United States at or before the expiration of the contract term and upon fulfillment of the terms and conditions stipulated in each of such purchase contracts. Such terms and conditions shall include provision for the application to the purchase price agreed upon therein of installment payments made thereunder including provision for the exchange of surplus real property or real property which may become surplus as a result of such agreement, where the Administrator determines that the best interests of the Government in economy and efficiency of operation will be served. Every purchase contract entered into pursuant to this title shall provide for equal annual payments for the amortization of principal with interest thereon and the Administrator shall not enter into any such contract unless the amount of the annual payment required by such contract plus the aggregate of the annual payments required by all other purchase contracts entered into during the same fiscal year do not exceed the specific limitations on such payments which shall be provided in appropriation acts: *Provided*, That prior to July 1, 1955, a limitation of not to exceed \$5,000,000 is hereby established for such purpose.

"(b) The Administrator of General Services is authorized to exercise the powers granted in this section with respect to existing properties, including those for which conversions, additions, extensions, or remodeling may be required, and properties upon which construction is to be subsequently effected in pursuance of the terms of applicable purchase contracts.

"(c) The Administrator of General Services is authorized to enter into agreements with any person, copartnership, corporation, or other public or private entity, to effectuate any of the purposes of this section; and is further authorized to bring about the development and improvement of any land owned by the United States and under the control of the General Services Administration including the demo-

GSA and Post
Office.
Property con-
tracts.
Public Build-
ings Purchase
Contract Act of
1954.
63 Stat. 200.
40 USC 352 note.
Space procure-
ment.

Purchase con-
tracts.
Terms.

Limitation.

Existing prop-
erty utilization.

Agreements.

lition of obsolete and outmoded structures situated thereon, by providing for the construction thereon by others of such structures and facilities as shall be the subject of the applicable purchase contracts.

“(d) Each such purchase contract shall include such provisions as the Administrator of General Services, in his discretion, shall deem to be in the best interests of the United States and appropriate to secure the performance of the obligations imposed upon the party or parties that shall enter into such agreement with the United States: *Provided*, That no such agreement may provide for the payment by the United States in pursuance of the terms thereof of moneys in an aggregate annual amount in excess of 15 per centum of the appraised fair market value of the property at the date of the purchase contract, or in the case of property where construction shall not have been completed at that date in excess of 15 per centum of the fair market value at the date of completion of such construction. No such purchase contract shall provide for any payments to be made by the United States in excess of the amount necessary, as determined by the Administrator, to—

Contract provisions.

Limitations.

“(1) amortize—

“(A) the cost of improvements to be constructed plus the fair market value, on the date of the agreement, of the site, if owned or acquired by the contractor; or

“(B) the fair market value, on the date of the agreement, of completed improvements together with the site thereof; or

“(C) a combination of the foregoing in the case of existing improvements to be remodeled by the contractor; and

“(2) provide a reasonable rate of interest on the outstanding principal as determined under (1) above; and

“(3) reimburse the contractor for the cost of any other obligations assumed by him under the contract, including (but not limited to) payment of taxes, costs of carrying appropriate insurance, and costs of repair and maintenance if so assumed by the contractor.

“(e) No proposed purchase contract agreement shall be executed under this section unless such agreement has been approved by the Director of the Bureau of the Budget, as evidenced by a written statement of such officer to the effect that the execution of such agreement is necessary and is in conformity with the policy of the President. No appropriations shall be made for purchase contract projects which have not been approved by resolutions adopted by the Committees on Public Works of the Senate and House of Representatives, respectively, within three years after the date of enactment of this Act. For the purpose of securing consideration of said approval the Administrator shall transmit to each such Committee a prospectus or the proposed project, including (but not limited to)—

Budget and Congressional approval.

“(1) a brief description of the building located or to be erected at a given location;

“(2) an estimate of the maximum cost of site and building together with the term of years over which payments would run and the maximum rate of interest that would be acceptable for any deferred part of such cost;

“(3) a certificate of need for the space signed by the head of the agency or agencies which will use the facility;

“(4) a statement by the Administrator of the General Services Administration that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the contract proposed;

“(5) a statement of the managerial, custodial, heat and utility services to be provided by the contractor, or an estimate of their

probable cost if to be supplied in any part by the Government;

"(6) a statement of the requirements for tax liability, upkeep and maintenance of the property by either the contractor or the Government during the period of the contract;

"(7) a statement of rents and other housing costs currently being paid by the Government for any agencies to be housed in the building to be erected; and

"(8) a statement in writing by the Director of the Bureau of the Budget that the project is necessary and in conformity with the policy of the President.

Payments.
Available funds.

"(f) Funds now or hereafter available for the payment of rent and related charges for premises, whether appropriated directly to the General Services Administration or to any other agency of the Government and received by said Administration for such purpose, may be utilized by the Administrator of General Services to make payments becoming due from time to time from the United States as current charges in connection with agreements entered into under authority of this section: *Provided*, That no such funds may be expended for acquisition of title to the property covered by any such agreement prior to the expiration of the contract term specified therein (whether by exercise of option to purchase or otherwise) in the absence of specific appropriation of funds for such acquisition, which appropriations are hereby authorized: *Provided further*, That the value of any Government real property to be exchanged under any such agreement may be credited at the time of exchange to the payments to be made by the United States thereunder: *Provided further*, That Government real property to be exchanged may be credited in whole or in part to the purchase price of the property for which it is exchanged, except that where the amount of the credit for the real property to be exchanged exceeds the amount of the purchase price, the amount of the remaining proceeds shall, except as provided in section 205 of the Post Office Department Property Act of 1954, be covered into the miscellaneous receipts of the Treasury of the United States.

Title acquisition.

Real property exchange.

Post, p. 524.

Postal purposes.

"(g) When requested by the Postmaster General, the Administrator of General Services is hereby authorized to exercise the authority vested in him by this section (1) to acquire property for postal purposes, or (2) to provide space for postal purposes in buildings acquired under this section for other purposes.

Taxes.

"(h) With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.

Separability.

"(i) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of this section and the application thereof to other persons or circumstances shall not be affected thereby.

Advertising.
63 Stat. 393.
41 USC 252.

"(j) (1) Section 302 (c) of the Federal Property and Administrative Services Act of 1949 and section 355 of the Revised Statutes, as amended (50 U. S. C. 175), shall apply to purchase contract agreements entered into under this section, except that any such agreement may be entered into and placed in effect after request for but prior to receipt of an opinion of the Attorney General with respect to the validity of title to the property described therein.

Attorney General's opinion.

Non-applicability of statutes.

"(2) Except as provided by paragraph (1) of this subsection, sections 3733, 3734, and 3736 of the Revised Statutes, as amended (40 U. S. C. 259; 41 U. S. C. 12, 14); section 1 of the Act of March 3, 1877 (19 Stat. 370; 40 U. S. C. 34); section 3 of the Act of August 27, 1935, as amended (60 Stat. 257; 40 U. S. C. 304c); section 407 of this Act;

and any other provision of law (except applicable labor standards provisions) relating to the acquisition of real property, construction of buildings, or leasing of space, shall not apply to purchase contract agreements executed under this section."

SEC. 102. It is not the intention of the Congress that the program authorized by this title shall constitute a substitute for or a replacement of any program for the construction by the United States of such structures as may be required from time to time by the Federal Government.

SEC. 103. This title may be cited as the "Public Buildings Purchase Contract Act of 1954".

Federal construction programs.

Citation of title.

TITLE II—POST OFFICE DEPARTMENT

Post Office Department Property Act of 1954.
Purpose.

SEC. 201. It is the purpose of this title to supplement existing provisions of law for the leasing of space for postal purposes by providing authorization for the acquisition by the Postmaster General of such space through the execution of lease-purchase and other agreements under which the United States will obtain immediate use of such space and will make periodic payments, and in the case of lease-purchase agreements will obtain title to the property described therein at or prior to the end of the term prescribed therein. It is not the intention of the Congress that the program authorized by section 202 of this title shall constitute a substitute for or a replacement of any program for the construction by the United States of such structures as may be required from time to time by the postal service.

Space procurement.

SEC. 202. (a) Whenever the Postmaster General determines that (1) there is a substantial need for space for postal purposes in any particular area which cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, (2) the receipts of the post office serving such area exceed \$10,000 per year, and (3) the best interests of the United States will be served by taking action hereunder, he is hereby authorized to obtain and provide space for postal purposes in suitable structures of permanent-type construction in the several States, the District of Columbia, and the Territories and possessions of the United States (including Guam), by negotiating and entering into lease-purchase agreements, the terms of which shall not be less than ten nor more than twenty-five years and which shall provide in each case that title to the property shall vest in the United States at or before the expiration of the leasehold term and upon fulfillment of the terms and conditions stipulated in each of such lease-purchase agreements. Such terms and conditions shall include provision for the application to the purchase price agreed upon therein of rental payments made thereunder. Such payments under any such agreement may include amounts for the amortization of the fair market value on the date of such agreement of the property described therein. The financial transactions of the Post Office Department with respect to such lease-purchase agreements shall be subject to the accounting and auditing requirements of the Post Office Department Financial Control Act of 1950 (Act of August 17, 1950, ch. 735, Eighty-first Congress, second session).

Lease-purchase agreements.
Terms.

Accounting and auditing.

64 Stat. 460.
39 USC 794-794f.

Existing property utilization.

(b) Except as provided in subsection (d) of this section, the Postmaster General is authorized to exercise the powers granted in this section with respect to existing properties, including those for which conversions, additions, extensions, or remodeling may be required, and properties upon which construction is to be subsequently effected in pursuance of the terms of applicable lease-purchase agreements.

(c) Except as provided in subsection (d) of this section, the Postmaster General is authorized to enter into agreements with any person,

Agreements.

Land develop- ment, etc.	<p>copartnership, corporation, or other public or private entity, to effectuate any of the purposes of this section; and is further authorized to bring about the development and improvement of any land purchased by the United States for postal purposes, including the demolition of obsolete and outmoded structures situate thereon, by providing for the construction thereon by others of such structures and facilities as shall be the subject of the applicable lease-purchase agreement.</p>
Restriction.	<p>(d) The authority conferred on the Postmaster General by subsections (b) and (c) of this section to enter into lease-purchase agreements with respect to property owned by the Government on the date of the enactment of this Act, is hereby restricted to exclude from such authority any site which has been acquired pursuant to law, prior to the enactment of this Act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.</p>
Agreement provi- sions.	<p>(e) Each such lease-purchase agreement shall include such provisions as the Postmaster General, in his discretion, shall deem to be in the best interest of the United States and appropriate to secure the performance of the obligations imposed upon the party or parties that shall enter into such agreement with the United States. No such agreement shall provide for any payment to be made by the United States in excess of the amount necessary, as determined by the Postmaster General, to—</p>
	<p>(1) amortize—</p> <p>(A) the cost of improvements to be constructed plus the fair market value, on the date of the agreement, of the site, if owned or acquired by the contractor, or</p> <p>(B) the fair market value, on the date of the agreement, of completed improvements together with the site thereof, or</p> <p>(C) a combination of the foregoing in the case of existing improvements to be remodeled by the contractor; and</p> <p>(2) provide a reasonable rate of interest on the outstanding principal as determined under (1) above, and</p> <p>(3) reimburse the contractor for the cost of any other obligations assumed by him under the contract, including (but not limited to) payment of taxes, costs of carrying appropriate insurance, and costs of repair and maintenance if so assumed by the contractor.</p>
Use of rental funds.	<p>(f) Funds available to the Post Office Department for the payment of rents are authorized to be utilized by the Postmaster General to make any payments becoming due from time to time from the United States in pursuance of lease-purchase agreements entered into under the authority of this title: <i>Provided</i>, That no such funds may be expended for acquisition of title to the property covered by any lease-purchase agreement prior to the expiration of the leasehold term specified therein (whether by exercise of option to purchase or otherwise) in the absence of specific appropriation of funds for such acquisition, which appropriations are hereby authorized.</p>
Title acquisi- tion.	
Budget and Con- gressional ap- proval.	<p>(g) No proposed lease-purchase agreement shall be executed under this section unless such agreement has been approved by the Director of the Bureau of the Budget, as evidenced by a written statement of such officer to the effect that the execution of such agreement is necessary and is in conformity with the policy of the President. No appropriations shall be made for lease-purchase projects which have not been approved by resolutions adopted by the Committees on Public Works of the Senate and House of Representatives, respectively, within three years after the date of enactment of this Act. For the purpose of securing consideration of said approval the Postmaster General</p>

shall transmit to each such Committee a prospectus of the proposed project, including (but not limited to)—

(1) a brief description of the building located or to be erected at a given location;

(2) an estimate of the maximum cost of site and building together with the term of years over which payments would run and the maximum rate of interest that would be acceptable for any deferred part of such cost;

(3) a certificate of need for the space signed by the head of the agency or agencies which will use the facility;

(4) a statement by the Postmaster General that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the contract proposed;

(5) a statement of the managerial, custodial, heat and utility services to be provided by the contractor, or an estimate of their probable cost if to be supplied in any part by the Government;

(6) a statement of the requirements for tax liability, upkeep and maintenance of the property by either the contractor or the Government during the period of the contract;

(7) a statement of rents and other housing costs currently being paid by the Government for any agencies to be housed in the building to be erected; and

(8) a statement in writing by the Director of the Bureau of the Budget that the project is necessary and in conformity with the policy of the President.

(h) With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.

(i) Every lease-purchase agreement entered into pursuant to this title shall provide for equal annual payments for the amortization of principal with interest thereon and the Postmaster General shall not enter into any such contract unless the amount of the annual payment required by such contract plus the aggregate of the annual payments required by all other lease-purchase agreements entered into during the same fiscal year do not exceed the specific limitations on such payments which shall be provided in appropriation acts: *Provided*, That prior to July 1, 1955, a limitation of not to exceed \$3,000,000 is hereby established for such purpose.

SEC. 203. (a) The Postmaster General is authorized to—

(1) negotiate and enter into lease agreements with any person, copartnership, corporation, or other public or private entity, which do not bind the Government for periods exceeding thirty years for each such lease agreement, on such terms as the Postmaster General deems to be in the best interests of the United States, for the erection by such lessor of such buildings and improvements for postal purposes as the Postmaster General deems appropriate, on lands sold, leased, or otherwise disposed of by the Postmaster General to, or otherwise acquired by, such person, copartnership, corporation, or public or private entity;

(2) for the purposes of paragraph (1) of this section, and without regard to the Federal Property and Administrative Services Act of 1949 (Act of June 30, 1949, ch. 288, Eighty-first Congress, first session), as amended—

(A) acquire by purchase, condemnation, lease, donation, or otherwise, and on such terms as he shall deem appropriate to the best interests of the United States, real property and interests therein, for use for postal purposes; and

Taxes.

Amortization of principal.
Annual payments.

Limitation.

Authorization.

63 Stat. 377.
40 USC 471 note.

- (B) dispose of real property, and interests therein, acquired for use or used for postal purposes by sale, lease, or otherwise, on such terms as he shall deem appropriate to the best interests of the United States: *Provided*, That the Postmaster General shall not, for the purposes of this section, dispose of (1) any Government-owned property, or interests therein, acquired pursuant to section 101 of the Public Buildings Act of 1949 (63 Stat. 176) or (2) any Government-owned property, or interests therein, which has been acquired pursuant to law, prior to the enactment of this Act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.
- 40 USC 352. (b) Funds available to the Post Office Department for the payment of rents are authorized to be utilized by the Postmaster General for the purposes of this section.
- Use of rental funds. SEC. 204. The Postmaster General may, at the time he enters into any lease-purchase or lease agreement under authority of this title, include in such agreement a provision for adjustment of the rental paid to any lessor to compensate for any increase or decrease in taxes on the leased property.
- Rental adjustment. SEC. 205. (a) Amounts received by the Government from sales, leases, or other disposals of property acquired under authority of this title in the performance by the Postmaster General of the functions vested in him by this title shall be credited to the current applicable appropriation of the Post Office Department and shall be available for expenditure for the purposes of this title: *Provided*, That any amount received by the Postmaster General from the sale of such property, under authority of this title, which exceeds the amount paid therefor from the appropriations for the Post Office Department, shall be covered into the Treasury as miscellaneous receipts.
- Sales receipts, etc. (b) Any amounts received by the Postmaster General from the sale, lease, or other disposal of real property acquired by the Government under authority of the Public Buildings Act of May 25, 1926 (44 Stat. 630), as amended, and the Public Buildings Act of 1949 (63 Stat. 176), as amended, which may be transferred to the Postmaster General, shall be disposed of in accordance with the provisions of section 321 of the Act entitled "An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes" (47 Stat. 412; 40 U. S. C. 303b), section 5 of the Public Buildings Act of May 25, 1926, as amended (44 Stat. 633; 40 U. S. C. 345), or section 204 of the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 388; 40 U. S. C. 485), whichever section may be applicable.
- 40 USC 341, 342, 344-347, 352 note. SEC. 206. The Postmaster General shall take title, on behalf of the United States, to all real property purchased by him under authority of this title.
- Property title. SEC. 207. (a) Section 355 of the Revised Statutes, as amended (50 U. S. C. 175), shall apply to the acquisition in fee simple of real property under this title, except that any lease-purchase agreement to acquire real property under this title may be entered into and placed in effect after request for but prior to receipt of an opinion of the Attorney General with respect to the validity of title to the real property described therein.
- Approval of Attorney General. (b) Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall apply (1) to the acquisition of real property by lease-purchase agreements, under authority of section 202 of this title, and (2) to the lease agreements entered into under authority of paragraph (1) of section 203 (a) of this title.
- Advertisement.

(c) Except as provided by subsections (a) and (b) of this section, sections 3733, 3734, and 3736 of the Revised Statutes, as amended (40 U. S. C. 259; 41 U. S. C. 12, 14); section 1 of the Act of March 3, 1877 (19 Stat. 370; 40 U. S. C. 34); and any other provision of law (except applicable labor standards provisions) relating to the acquisition or disposal of real property, construction of buildings, or leasing of space, shall not apply to any of the functions performed by the Postmaster General in effectuating the purposes of this title.

Non-applicability of statutes.

SEC. 208. No agreement shall be entered into under this title later than a date ten years after the date of enactment of this title.

Time limitation.

SEC. 209. The Postmaster General shall include in his annual report an account of transactions conducted during the applicable year pursuant to the provisions of this title.

Annual report.

SEC. 210. This title may be cited as the "Post Office Department Property Act of 1954".

Short title.

Approved July 22, 1954.

Public Law 520

CHAPTER 561

AN ACT

To amend section 24 of the Federal Reserve Act, as amended.

July 22, 1954
[S. 3480]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth paragraph of section 24 of the Federal Reserve Act, as amended (U. S. C., 1952 edition, title 12, sec. 371), is amended by adding in clause (d) the words "or the Small Business Administration" after the words "the Housing and Home Finance Administrator", and by adding the words "or of the Small Business Act of 1953," after the words "Housing Act of 1948, as amended,".

38 Stat. 273; 65 Stat. 312.

Approved July 22, 1954.

Public Law 521

CHAPTER 562

AN ACT

To amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes.

July 22, 1954
[S. 1276]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001), is further amended as follows:

Bankhead-Jones Farm Tenant Act, amendments.
50 Stat. 522
7 USC 1000.
Loan terms.

(a) The words "less any prior lien indebtedness" shall be added at the end of and as a part of the parenthetical phrase of section 3 (a) (7 U. S. C. 1003 (a)), and the words "or second" shall be inserted after the word "first" where it appears in the first sentence of section 3 (a).

(b) The words "a rate of interest not in excess of 5 per centum per annum as determined by the Secretary" shall be inserted in lieu of the words "the rate of 4 per centum per annum" in section 3 (b) (2) (7 U. S. C. 1003 (b) (2)).

Interest rates.
Direct loans.

(c) The words "shall not be in excess of 4 per centum per annum as determined by the Secretary" shall be inserted in lieu of the words "shall be 3 per centum per annum" in section 12 (c) (4) (7 U. S. C. 1005b (c) (4)).

62 Stat. 534.
Mortgage insurance.

(d) The words "pursuant to section 43" shall be deleted from section 46 (7 U. S. C. 1020).

62 Stat. 534.
7 USC 1017.