Public Law 86-375

September 23, 1959
[H. R. 5711]

AN ACT

Granting the consent and approval of Congress to the Wabash Valley Compact, and for related purposes.

Wabash Valley Compact.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the consent of Congress is hereby given to the States of Illinois and Indiana for the compact, known as the Wabash Valley Compact (Laws of Indiana, 1959, chapter 3, approved February 26, 1959, House Enrolled Act No. 22; Laws of Illinois, 1959, approved March 20, 1959, Senate Bill No. 78), in the form as follows:

"THE WABASH VALLEY COMPACT

"ARTICLE I

"FINDINGS AND PURPOSE

"The party states find that the Wabash Valley has suffered from a lack of comprehensive planning for the optimal use of its human and natural resources and that underutilization and inadequte benefits from its potential wealth are likely to continue until there is proper organization to encourage and facilitate coordinated development of the Wabash Valley as a region and to relate its agricultural, industrial, commercial, recreational, transportation, development and other problems to the opportunities in the Valley. To this end it is the purpose of the party states to recognize and provide for such development and coordination and to establish an agency of the party states with powers sufficient and appropriate to further regional planning for the Valley.

"ARTICLE II

"THE VALLEY

"As used in this compact, the term 'Wabash Valley' shall mean the Wabash River, its tributaries and all land drained by said river and tributaries, to whatever extent they lie within the party states.

"ARTICLE III

"THE WABASH VALLEY INTERSTATE COMMISSION

"(a) There is hereby created an agency of the party states to be known as the Wabash Valley Interstate Commission (hereinafter called the Commission). The Commission shall be composed of seven Commissioners from each party state designated or appointed in accordance with the law of the state which they represent and serving and subject to removal in accordance with such law. The federal government may be represented without vote if provision is made by federal law for such representation.

"(b) The Commissioners of the party states shall each be entitled to one vote in the Commission. No action of the Commission shall be binding unless taken at a meeting in which a majority of the members from each party state are present and unless a majority of those from each state concur, provided that any action not binding for such a reason may be ratified within thirty days by the concurrence of a majority of each state. In the absence of any Commissioner, his vote may be cast by another representative or Commis-

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sioner of his state provided that said Commissioner or other representative casting said vote shall have a written proxy in proper form as may be required by the Commission.

"(c) The Commission may sue and be sued, and shall have a seal.

"(d) The Commission shall elect annually, from among its members, a chairman, a vice-chairman and a treasurer. The Commission shall appoint an executive director who shall also act as secretary, and who, together with the treasurer, shall be bonded in such amounts as the Commission may require.

"(e) The Commission shall appoint and remove or discharge such personnel as may be necessary for the performance of the Commission's functions irrespective of the civil service, personnel or other merit system laws of any of the party states.

"(f) The Commission may establish and maintain, independently or in conjunction with any one or more of the party states, a suitable retirement system for its employees. Employees of the Commission shall be eligible for social security coverage in respect of old-age and survivors insurance provided that the Commission takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as may be appropriate to afford employees of the Commission terms and conditions of employment similar to those enjoyed by employees of the party states generally.

"(g) The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation.

"(h) The Commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state of the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm or corporation, and may receive, utilize, and dispose of the same.

"(i) The Commission may establish and maintain such facilities as may be necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

"(j) The Commission may adopt, amend, and rescind bylaws, rules, and regulations for the conduct of its business.

"(k) The Commission annually shall make to the Governor of each party state, a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been adopted by the Commission which report shall be transmitted to the legislature of said state. The Commission may issue such additional reports as it may deem desirable.

## "ARTICLE IV

### "FINANCES

"(a) The Commission shall submit to the executive head or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

"(b) Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. Subject to appropriation by the respective legislatures the Commission shall be provided with such funds by each of the party states as are necessary to provide the

means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the Commission.

"(c) The Commission may meet any of its obligations in whole or in part with funds available to it under Article III(h) of this compact, provided that the Commission takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the Commission makes use of funds available to it under Article III(h) hereof, the Commission shall not incur any obligations prior to the allotment of funds by the party jurisdictions adequate to meet the same.

"(d) The expenses and any other costs for each member of the Commission shall be met by the Commission in accordance with such standards and procedures as it may establish under its bylaws.

"(e) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.

"(f) The accounts of the Commission shall be open at any reasonable time for inspection.

"ARTICLE V

"ADVICE AND COOPERATION

"(a) The Commission shall establish a technical advisory committee which shall be composed of representatives of such departments or agencies of the governments of the party states as have significant interest in the subject matter of the Commission's work: *Provided*, That if pursuant to the laws of a party state a representative of any such department or agency serves as a member of the Commission said department or agency need not be represented on the technical advisory committee. The Commission shall provide under its bylaws for procedures for the reference of questions to such committee.

"(b) The Commission may establish other advisory and technical committees composed of private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, and officials of local, state and federal government, and may cooperate with and use the services of any such committee and the organizations which they represent in furthering any of its activities under this compact. The Commission shall encourage citizen organization and activity for the promotion of the objectives of this compact.

"ARTICLE VI

"FUNCTIONS

"The Commission shall have power to:

"A. Promote the balanced development of the Wabash Valley by

"(1) Correlating and reporting on data significant to such development.

"(2) Recommending the coordination of studies by the agencies of the party states to provide such data.

"(3) Publishing and disseminating materials and studies which will encourage the economic development of the Valley.

"(4) Recommending standards as guides for local and state zoning and other action which will promote balanced develop-

ment by encouraging the establishing of industrial parks to facilitate industrial development, the reservation of stream bank and lake shore areas for recreation and public access to water, the preservation of marshes and other suitable areas as wild life preserves, the afforestation and sustained yield forest management of submarginal lands, the protection of scenic values and amenities and other appropriate measures.

"(5) Preparing in cooperation with appropriate governmental agencies a master plan for the identification and programming of public works.

"(6) Cooperating with all appropriate governmental agencies in the encouragement of tourist traffic and facilities in the Valley.

"B. Recommend integrated plans and programs for the conservation, development, and proper utilization of the water, land and related natural resources of the Wabash Valley, including but not limited to:

"(1) Encouraging the classification of Valley lands in terms of appropriate uses.

"(2) Cooperating in the development of appropriate plans for flood protection, including but not limited to the construction of protective works and reservoirs.

"(3) Developing public awareness of the need for flood plain zoning and in cooperation with the appropriate agencies of the party states and their political subdivisions evolving standards for the implementation and application of such zoning in the Valley.

"(4) Reviewing the need for and appropriate sources of suitable water supplies for domestic, municipal, agricultural, power, industrial, recreation and transportation purposes.

"(5) Encouraging a pattern of land use and resource management which will increase the natural wealth of the Valley and promote the welfare of its inhabitants.

"(6) In cooperation with appropriate agencies, analyzing the recreational needs and potential of the Valley and developing a program for the use and maximization of recreational resources.

"C. Secure the necessary research and developmental activities by:

"(1) Correlating such research and developmental activities as are placed within its purview by this compact. The Commission may engage in original investigation and research on its own account or secure the undertaking thereof by a qualified public or private agency.

"(2) Making contracts for studies, investigations and research in any of the fields of its interest.

"(3) Publishing and disseminating reports.

"D. Make recommendations for appropriate action to:

"(1) The legislatures and executive heads of the party states and the federal government

"(2) The agencies of the party states and the federal government

"E. Undertake such additional functions as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of a party state concurred in by the legislature of the other.

"ARTICLE VII

"ENACTMENT AND WITHDRAWAL

"This compact shall become effective when entered into and enacted into law by the States of Illinois and Indiana. The compact shall continue in force and remain binding upon each party state until renounced by legislative action of either party state.

"ARTICLE VIII

"CONSTRUCTION AND SEVERABILITY

"The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be unconstitutional or the applicability thereof to any state, agency, person or circumstances is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to any other state, agency, person or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this compact be reasonably and liberally construed."

SEC. 2. A Federal representative to the Wabash Valley Interstate Commission shall be appointed by the President, and he shall report to the President either directly or through such agency or official as the President may specify. Such representative shall have no vote on the commission. His compensation shall be in such amount, not in excess of $100 per diem, as the President shall specify, but the total amount of compensation payable in any one calendar year shall not exceed $10,000: *Provided*, That if the Federal representative be an employee of the United States he shall serve without additional compensation: *Provided further*, That a retired military officer or a retired Federal civilian officer or employee may be appointed as such representative, without prejudice to his retired status, and he shall receive compensation as authorized herein in addition to his retired pay or annuity but the sum of his retired pay or annuity and such additional compensation as may be paid hereunder shall not exceed $12,000 in any one calendar year. The Federal representative shall be entitled to travel expenses, he shall also be provided with office space, stenographic service, and other necessary administrative services. The compensation of the Federal representative shall be paid from available appropriations for the White House Office or from funds available to the President in connection with special projects. Travel expenses, office space, stenographic, and administrative services shall be paid from any available appropriations selected by the head of such agency or agencies as may be designated by the President to provide such expenses.

Report to Congress.

SEC. 3. The Wabash Valley Interstate Commission constituted by the compact shall make an annual report to Congress not later than sixty days after the beginning of each regular session thereof.

SEC. 4. The right to alter, amend, or repeal this Act is expressly reserved.

SEC. 5. Nothing contained in this Act or in the compact herein consented to shall be construed as impairing or affecting the authority of the United States of any of its rights or jurisdiction in and over the area or waters which are the subject of the compact.

SEC. 6. That all future legislation enacted pursuant to article VI, clause E of the compact, requiring concurrent action by the States of Indiana and Illinois, shall be submitted to Congress for approval before such legislation becomes effective.

SEC. 7. Nothing contained herein shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

SEC. 8. The right is hereby reserved to the Congress or any of its standing committees to require the disclosure and furnishing of such information or data by the Wabash Valley Interstate Commission as is deemed appropriate by the Congress or any such committee.

Approved September 23, 1959.

## Public Law 86-376

AN ACT

September 23, 1959
[H. R. 47]

To amend the Internal Revenue Code of 1954 to provide a personal exemption for children placed for adoption and to clarify certain provisions relating to the election of small business corporations as to taxable status.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That (a) section 152(b)(2) of the Internal Revenue Code of 1954 (relating to the definition of the term "dependent") is amended by striking out "a legally adopted child of an individual" and inserting in lieu thereof the following: "a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual)".

Internal Revenue Code of 1954, amendment.
68A Stat. 43.

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1958.

SEC. 2. (a) Section 1371 of the Internal Revenue Code of 1954 (relating to definitions applicable to certain small business corporations) is amended by adding at the end thereof the following new subsection:

72 Stat. 1650.

"(c) STOCK OWNED BY HUSBAND AND WIFE.—For purposes of subsection (a)(1) stock which—

"(1) is community property of a husband and wife (or the income from which is community income) under the applicable community property law of a State, or

"(2) is held by a husband and wife as joint tenants, tenants by the entirety, or tenants in common,

shall be treated as owned by one shareholder."

(b) Section 1374(b) of the Internal Revenue Code of 1954 (relating to allowance of net operating loss to shareholders of electing small business corporations) is amended by inserting after "the taxable year of the corporation ends" the following: "(or for the final taxable year of a shareholder who dies before the end of the corporation's taxable year)".

72 Stat. 1653.

(c) Section 1504(b) of the Internal Revenue Code of 1954 (relating to definition of includible corporation) is amended by striking out paragraph (8) thereof.

68A Stat. 369; 72 Stat. 1657.

(d) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1959. The amendments made by subsections (b) and (c) shall take effect on the day after the date of the enactment of this Act.

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