

the individual who made the election under such chapter died after attaining retirement age.”

(d) The amendments made by subsections (a) and (b) shall apply with respect to taxable years ending after December 31, 1965. The amendment made by subsection (c) shall apply with respect to individuals making an election under chapter 73 of title 10 of the United States Code who die after December 31, 1965.

SEC. 2. (a) Section 2039(c) of the Internal Revenue Code of 1954 (relating to exclusion from gross estate of annuities under certain trusts and plans) is amended—

(1) by striking out “or” at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof “; or”, and by adding at the end thereof the following new paragraph:

“(4) chapter 73 of title 10 of the United States Code.”;

10 USC 1431-1446.

(2) by striking out “or under a contract described in paragraph (3)” in the second sentence and inserting in lieu thereof “, under a contract described in paragraph (3), or under chapter 73 of title 10 of the United States Code”; and

(3) by inserting at the end thereof the following new sentence: “For purposes of this subsection, amounts payable under chapter 73 of title 10 of the United States Code are attributable to payments or contributions made by the decedent only to the extent of amounts deposited by him pursuant to section 1438 of such title 10.”

70A Stat. 110.

(b) (1) Section 2517(a) of such Code (relating to gift tax treatment of certain annuities under qualified plans) is amended by striking out “or” at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof “; or”, and by adding at the end thereof the following new paragraph:

“(4) chapter 73 of title 10 of the United States Code.”

(2) The first sentence of section 2517(b) of such Code (relating to transfers attributable to employee contributions) is amended by inserting “(other than paragraph (4))” after “referred to in subsection (a)”.

(c) The amendments made by subsection (a) shall apply with respect to decedents dying after December 31, 1965. The amendments made by subsection (b) shall apply with respect to calendar years after 1965.

Approved March 8, 1966.

## Public Law 89-366

### AN ACT

March 10, 1966  
[S. 251]

To provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order to preserve for public use and enjoyment an area in the State of North Carolina possessing outstanding natural and recreational values, there is hereby authorized to be established the Cape Lookout National Seashore (hereinafter referred to as “seashore”), which shall comprise the lands and adjoining marshlands and waters on the outer banks of Carteret County, North Carolina, between Ocracoke Inlet and Beaufort Inlet, as generally depicted on the map entitled “Proposed Boundaries—Proposed Cape Lookout National Seashore”, dated

Cape Lookout  
National Seashore,  
N.C.  
Establishment.

April 1964, and numbered NS-CL-7101-B, which is on file in the Office of the National Park Service, Department of the Interior: *Provided, however,* That such seashore shall not include those lands and interests in lands which are bounded on the north by the southerly boundary of the Cape Lookout lighthouse property, on the east by a line located seven hundred and fifty feet inland from the mean high water line of the Atlantic Ocean, on the south by the northerly boundary of property now owned or leased by the United States Coast Guard and other Federal agencies, and on the west by the easterly boundary of property of the Thomas Gold heirs (as shown on a map prepared by J. G. Hassell in October 1961 and recorded at page 4 of Map Book Numbered 6 in the office of the Register of Deeds, Carteret County, North Carolina) and the waters of Lookout Bight.

Federal and  
non-Federal lands,  
transfer.

SEC. 2. (a) Notwithstanding any other provision of law, Federal property located within the boundaries of the Cape Lookout National Seashore may, with the concurrence of the agency having custody thereof, be transferred to the administrative jurisdiction of the Secretary of the Interior for the purposes of the seashore. Such transfer shall be made without transfer of funds. Non-Federal lands, marshlands, waters, or interests therein located within the authorized seashore may be acquired by the Secretary of the Interior only through donation, except that he may purchase with donated or appropriated funds, or may acquire by exchange, the lands, marshlands, and waters or interests therein comprising the Shackleford Banks. Land donated by the State of North Carolina pursuant to this subsection shall constitute consideration for the transfer by the United States of 1.5 acres of land that is to be used as a site for a public health facility in the village of Hatteras, Dare County, North Carolina.

Land acquisition  
by exchange.

(b) When acquiring lands by exchange, the Secretary may accept title to any non-Federal property within the boundaries of the seashore and convey to the grantor of such property any federally owned property in the State of North Carolina under his jurisdiction which he classifies as proper for exchange or other disposition. Failing to effectuate an exchange of properties of approximately equal fair market value, the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

Owners' use of  
property.

(c) Any person who on January 1, 1966, owned property which on July 1, 1963, was developed and used for noncommercial residential purposes may reserve for himself and his assigns, as a condition to the purchase or acquisition by exchange of such property by the Secretary, a right of use and occupancy of the residence and not in excess of three acres of land on which the residence is situated, for noncommercial residential purposes for a term ending at the death of the owner, or the death of his spouse, or the death of either of them, or, in lieu thereof, for a definite term not to exceed twenty-five years: *Provided,* That the Secretary may exclude from such reserved property any marsh, beach, or waters, together with so much of the land adjoining such marsh, beach, or waters as he deems necessary for public access thereto. The owner shall elect the term of the right to be reserved. The Secretary is authorized to accept donations of property for purposes of the seashore in which a right of use and occupancy for noncommercial residential purposes is reserved for the period stated in this subsection if the land on which the residence is situated and to which the right attaches is not in excess of three acres and there is excluded from the reserved property such marsh, beach, or waters and adjoining land as the Secretary deems necessary for public use and access thereto.

Exclusion  
rights.

(d) A right of use and occupancy reserved in lands that are donated or otherwise acquired pursuant to this section shall be subject to termination by the Secretary upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of this Act and upon tender to the holder of the right of an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

Use and occupancy rights.

(e) The Secretary of the Interior is authorized to purchase with donated or appropriated funds, or acquire by exchange, not to exceed one hundred acres of lands or interests in lands at or near Beaufort, North Carolina, as an administrative site, and for a landing dock and related facilities that may be used to provide a suitable approach or access to the seashore.

Beaufort, N.C., administrative site.

SEC. 3. When title to the lands and interests in lands which under section 2(a) of this Act may be acquired for the purposes of the seashore by donation only is vested in the United States, the Secretary shall declare the establishment of the Cape Lookout National Seashore by publication of notice thereof in the Federal Register. Such notice shall contain a refined description or map of the boundaries of the seashore as the Secretary may find desirable and such exterior boundaries shall encompass, as nearly as possible, the area generally described in section 1 of this Act. Copies of said description or map shall be furnished to the Speaker of the House and the President of the Senate not less than thirty days prior to publication in the Federal Register. Following such establishment, and subject to the limitations and conditions prescribed in this Act, the Secretary may, subject to the provisions of section 2 hereof, acquire the remainder of the lands and interests in lands within the boundaries of the seashore.

Notice, publication in Federal Register.

Copies sent to Congress.

SEC. 4. The Secretary shall permit hunting and fishing, including shellfishing, on lands, marshlands, and waters under his jurisdiction within the Cape Lookout National Seashore in accordance with the laws of the State of North Carolina and the United States, to the extent applicable, except that the Secretary may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons of public safety, administration, fish or wildlife management, or public use and enjoyment. Except in emergencies, any rules and regulations of the Secretary pursuant to this section shall be put into effect only after consultation with the North Carolina Wildlife Resources Commission and the North Carolina Department of Conservation and Development.

Hunting and fishing.

SEC. 5. The Secretary shall administer the Cape Lookout National Seashore for the general purposes of public outdoor recreation, including conservation of natural features contributing to public enjoyment. In the administration of the seashore and the administrative site, the Secretary may utilize such statutory authorities relating to areas administered and supervised by the Secretary through the National Park Service and such statutory authorities otherwise available to him for the conservation and management of natural resources as he deems appropriate to carry out the purposes of this Act.

Administration.

SEC. 6. The authority of the Chief of Engineers, Department of the Army, to undertake or contribute to shore erosion control or beach protection measures within the Cape Lookout National Seashore shall be exercised in accordance with a plan that is mutually acceptable to the Secretary of the Interior and the Secretary of the Army, and that is consistent with the purposes of this Act.

Shore erosion control.

SEC. 7. There are hereby authorized to be appropriated not to exceed \$3,200,000 for the acquisition and development of the seashore in accordance with the purposes of this Act.

Appropriation.

Approved March 10, 1966.