lations for like conditions and circumstances to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States: *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this chapter.

(June 18, 1934, ch. 590, § 13, 48 Stat. 1001.)

§ 81n. Operation of zone as public utility; cost of customs service

Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments and the cost of maintaining the additional customs service required under this chapter shall be paid by the operator of the zone.

(June 18, 1934, ch. 590, § 14, 48 Stat. 1001.)

§ 81*o*. Residents of zone

(a) Persons allowed to reside in zone

No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

(b) Rules and regulations for employees entering and leaving zone

The Board shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

(c) Exclusion from zone of goods or process of treatment

The Board may at any time order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

(d) Retail trade within zone

No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the zone from customs territory.

(e) Exemption from State and local ad valorem taxation of tangible personal property

Tangible personal property imported from outside the United States and held in a zone for the purpose of storage, sale, exhibition, repackaging, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing, and tangible personal property produced in the United States and held in a zone for exportation, either in its original form or as altered by any of the above processes, shall be exempt from State and local ad valorem taxation.

(June 18, 1934, ch. 590, § 15, 48 Stat. 1002; Pub. L. 98–573, title II, § 231(b)(1), Oct. 30, 1984, 98 Stat. 2991.)

Editorial Notes

AMENDMENTS

1984—Subsec. (e). Pub. L. 98–573 added subsec. (e).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98–573, title II, § 231(b)(2), Oct. 30, 1984, 98 Stat. 2991, provided that: ''The amendment made by paragraph (1) [amending this section] shall take effect on January 1, 1983.''

§ 81p. Accounts and recordkeeping

(a) Manner of keeping accounts

The form and manner of keeping the accounts of each zone shall be prescribed by the Board.

(b) Annual report by grantee

Each grantee shall make to the Board annually, and at such other times as it may prescribe, reports on zone operations.

(c) Report to Congress

The Board shall make a report to Congress annually containing a summary of zone operations.

(June 18, 1934, ch. 590, § 16, 48 Stat. 1002; Pub. L. 96–609, title II, § 204, Dec. 28, 1980, 94 Stat. 3561; Pub. L. 99–386, title II, § 203(b), Aug. 22, 1986, 100 Stat. 823.)

Editorial Notes

AMENDMENTS

1986—Subsec. (b). Pub. L. 99–386, § 203(b)(1), substituted ''reports on zone operations'' for ''reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Board may require''.

Subsec. (c). Pub. L. 99–386, § 203(b)(2), added subsec. (c) and struck out former subsec. (c) which required the Board to make an annual report to Congress containing a summary of the operation and fiscal condition of each zone, and transmit copies of the annual report of each grantee.

1980—Subsec. (c). Pub. L. 96–609 substituted ''by April 1 of each year'' for ''on the first day of each regular session''.

§ 81q. Transfer of grant

The grant shall not be sold, conveyed, transferred, set over, or assigned.

(June 18, 1934, ch. 590, § 17, 48 Stat. 1002.)

§ 81r. Revocation of grants

(a) Procedure for revocation

In the event of repeated willful violations of any of the provisions of this chapter by the