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INTERIOR DEPARTMENT SUPPORTS BILL TO PERMIT 55-YEAR LEASING ON INDIAN LANDS

The Department of the Interior has announced it favors proposed Federal legislation that would permit the leasing of Indian lands for terms up to a maximum of 55 years for purposes other than farming or grazing.

Under present law such leases are limited to a 25-year term with an option to renew for 25 years except on five reservations where 99-year leasing has been authorized. These are the Palm Springs Reservation in California, the Dania Reservation in Florida, the Southern Ute Reservation in Colorado, the Colorado River Reservation in Arizona and California, and the Navajo Reservation in Arizona, New Mexico, and Utah. Authority for 99-year leasing on these reservations would be continued under S. 48, a pending Congressional bill favored by the Department.

In commenting on the bill, the Department explained that difficult problems arise, especially for those contemplating large-scale commercial or recreational developments, under present laws limiting leaseholds on certain Indian lands to the equivalent of a 50-year period. The minimum unexpired lease period for a construction or a development loan under the National Housing Act, the Federal Reserve Act, and the policies of most insurance companies is 50 years from the date the mortgage is executed. Thus the lessee, in effect, is given no time to arrange for financing.

"If the permissible period for leasing Indian lands could be extended, as proposed by the pending bill," the Department pointed out, "there would be enough time to complete financial arrangements for developments before the unexpired term of the lease is reduced to less than 50 years. As a technical matter, this represents a comparatively minor change from a 50-year maximum to a 55-year maximum, but the practical effect on financing improvements will be great."

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