

SALE, LEASE, OR EXCHANGE OF IDAHO SCHOOL LAND

SEPTEMBER 11, 1998.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany H.R. 4166]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 4166) to amend the Idaho Admission Act regarding the sale or lease of school land, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 4166 is to amend the Idaho Admission Act regarding the sale or lease of school land.

BACKGROUND AND NEED FOR LEGISLATION

In 1996, Idaho Governor Phil Batt appointed a Committee on Endowment Fund Investment Reform to look into ways to improve returns to the State's permanent endowment fund on Idaho's 2.5 million acres of endowment lands. The Committee worked for several months and recommended that the separate parts of the endowment—the land trust and financial trust—should be organized, invested, and managed as a whole.

In 1997, the Idaho Legislature passed an extensive legislative package based on the recommendations and designed to generate additional income from the endowment lands for public schools and other beneficiaries. The package included provisions to allow the Board of Land Commissioners to exercise its fiduciary responsibility as manager of the endowment by treating State endowments as one trust, create an Earnings Reserve Account that will serve as a "shock absorber" to allow endowments to provide a more predict-

able income stream to the beneficiaries, provide increased and stable funding for public education and other beneficiaries by allowing investments in assets that result in a higher rate of return, and establish a “land bank” account for proceeds from the sale of endowment lands.

Although a number of changes have already been adopted by the State legislature, the federal Idaho Admission Act (26 Stat. 215, Chapter 656) must be amended to fully implement these reforms. H.R. 4166 strictly follows the Commission’s recommendations by allowing proceeds from the sale of endowment lands be placed into a land bank to be used to acquire, in strict accordance with Idaho law, other land in the State for the benefit of the public school permanent endowment fund.

COMMITTEE ACTION

H.R. 4166 was introduced on June 25, 1998, by Congressman Michael Crapo (R-ID) and Congressman Helen Chenoweth (R-ID). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on National Parks and Public Lands. On August 5, 1998, the Full Resources Committee met to consider H.R. 4166. H.R. 4166 was discharged from the Subcommittee on National Parks and Public Lands by unanimous consent. No amendments were offered. The bill was then ordered favorably reported to the House of Representatives by voice vote.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(1)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources’ oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grants Congress the authority to enact H.R. 4166.

COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 4166. However, clause 7(d) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 4166 does not contain

any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 4166.

3. With respect to the requirement of clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 4166 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 12, 1998.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4166, a bill to amend the Idaho Admission Act regarding the sale or lease of school land.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Theresa Gullo.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

H.R. 4166—A bill to amend the Idaho Admission Act regarding the sale or lease of school land

H.R. 4166 would amend the Idaho Admission Act to provide the state with greater flexibility in managing lands given to it by the federal government in 1890 and placed in an endowment to benefit public education. These changes would conform federal statute to recent amendments to the state constitution enacted by the Idaho State Legislature.

CBO estimates that enacting this bill would have no impact on the federal budget. Because H.R. 4166 would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 4166 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Theresa Gullo. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 4166 contains no unfunded mandates.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF JULY 3, 1890

(Commonly Known as the "Idaho Admission Act")

CHAP. 656.—An act to provide for the admission of the State of Idaho into the Union.

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【SEC. 5. That all lands herein granted for educational purposes shall be disposed of only at public sale, the proceeds to constitute a permanent school fund, the interest of which only shall be expended in the support of said schools. But said lands may, under such regulations as the legislature shall prescribe, be leased for periods of not more than five years, and such lands shall not be subject to pre-emption, homestead entry, or any other entry under the land laws of the United States, whether surveyed or unsurveyed, but shall be reserved for school purposes only.】

SEC. 5. SALE, LEASE, OR EXCHANGE OF SCHOOL LAND.

(a) SALE.—

(1) *IN GENERAL.*—*Except as provided in subsection (c), all land granted under this Act for educational purposes shall be sold only at public sale.*

(2) *USE OF PROCEEDS.*—(A) *IN GENERAL.*—*Proceeds of the sale of school land—*

(i) except as provided in clause (ii), shall be deposited in the public school permanent endowment fund and expended only for the support of public schools; and

(ii)(I) may be deposited in a land bank fund to be used to acquire, in accordance with State law, other land in the State for the benefit of the beneficiaries of the public school permanent endowment fund; or

(II) if the proceeds are not used to acquire other land in the State within a period specified by State law, shall be transferred to the public school permanent endowment fund.

(B) *EARNINGS RESERVE FUND.*—*Earnings on amounts in the public school permanent endowment fund shall be deposited in an earnings reserve fund to be used for the support of public schools of the State in accordance with State law.*

(b) *LEASE.*—*Land granted under this Act for educational purposes may be leased in accordance with State law.*

(c) *EXCHANGE.*—

(1) *IN GENERAL.*—*Land granted for educational purposes under this Act may be exchanged for other public or private land.*

(2) *VALUATION.*—*The values of exchanged lands shall be approximately equal, or, if the values are not approximately equal,*

the values shall be equalized by the payment of funds by the appropriate party.

(3) EXCHANGES WITH THE UNITED STATES.—

(A) IN GENERAL.—A land exchange with the United States shall be limited to Federal land within the State that is subject to exchange under the law governing the administration of the Federal land.

(B) PREVIOUS EXCHANGES.—All land exchanges made with the United States before the date of enactment of this paragraph are approved.

(d) RESERVATION FOR SCHOOL PURPOSES.—Land granted for educational purposes, whether surveyed or unsurveyed, shall not be subject to preemption, homestead entry, or any other form of entry under the land laws of the United States, but shall be reserved for school purposes only.

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