

**Statement for the Record**  
**Bureau of Land Management**  
**U.S. Department of the Interior**  
**House Committee on Natural Resources**  
**Subcommittee on Federal Lands**  
**H.R. 8946, Reversionary Interest Conveyance Act**  
**September 18, 2024**

Thank you for the opportunity to provide this Statement for the Record on H.R. 8946, the Reversionary Interest Conveyance Act, which provides for the conveyance of the Federal reversionary interest in approximately eight acres of land located in Sacramento, California, at fair market value. The Bureau of Land Management (BLM) supports the conveyance of the reversionary interest in these parcels and supports H.R. 8946.

**Background**

In the mid-19th century, Congress sought to encourage the development of the West by providing incentives for transcontinental railroads. Among those incentives was the Pacific Railroad Act of 1862, authorizing a transcontinental railroad to be built by the Union Pacific and the Central Pacific railroad companies. As part of that authorization, the Central Pacific railroad was granted a right-of-way (ROW) across the public lands at issue.

This ROW grant gave the railroad a limited fee with a reversionary interest held by the United States should the land cease to be used for railroad purposes. The status of these ROWs has been an ongoing issue before Congress and the courts since the late 19th century. Over time, uncertainty over whether the limited fee included a reversionary interest gave way to the lands being used for commercial and residential purposes. Currently, the BLM does not have a programmatic need for the land but has no authority to dispose of or disclaim the United States' reversionary interest.

**H.R. 8946, Reversionary Interest Conveyance Act**

H.R. 8946 provides for the conveyance of the reversionary interest held by the United States in approximately eight acres of land under the administrative jurisdiction of the BLM upon payment of fair market value. Under H.R. 8946, the value of the reversionary interest would be determined through an appraisal by the Department of the Interior's Appraisal and Valuation Services Office. Upon receiving a request from a buyer, the Secretary of the Interior would convey the reversionary interest to the buyer after payment of the appraised value. The bill specifies that all costs associated with the conveyance, including the appraisal, would be the responsibility of the buyer.

The Federal Land Policy and Management Act of 1976 (FLPMA), which is the authority under which BLM generally disposes of public land or interests, requires receipt of fair market value for public lands or interests transferred out of public ownership. This serves to ensure that taxpayers are fairly compensated for the conveyance of such lands and interests. The BLM generally supports legislative conveyances if the lands are appropriate for disposal and the legislation includes a provision requiring the payment of fair market value. The BLM supports conveyance of the reversionary interest in the parcels for fair market value, as it would facilitate economic development in the local community and the parcels are difficult for the BLM to

manage given the residential and commercial uses currently occurring and the distance and isolation from other BLM-managed lands.

Additionally, the bill directs the proceeds of the conveyance to be deposited in the Federal Land Disposal Account (Account) established by section 206(a) of the Federal Land Transaction Facilitation Act (FLTFA). Under FLTFA, revenues from the sale or exchange of BLM-managed public lands that have been identified for disposal in approved land use plans are deposited into the Account for use in purchasing other lands (or interests therein, such as easements) with high conservation or recreation value. The BLM supports this use of the proceeds of the conveyance given that FLTFA is anchored in public participation and sound land use planning, while providing for land acquisitions to augment and strengthen our Nation's treasured landscapes.

**Conclusion**

Thank you for the opportunity to provide this Statement for the Record.