Media Contact: Bureau of Indian Affairs
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The Department of the Interior today announced its endorsement of legislation that would permit the leasing of Indian lands on the. Navajo Reservation in Arizona, New Mexico and Utah for periods up to a maximum of 99 years.

Under present law the maximum term permitted for such leases is 25 years with an option to renew for an additional 25 years. In a report on H. R. 9382, Assistant Secretary Roger Ernst pointed out that the bill is needed to permit leases with a long enough term so that the lessee can obtain financing for the type of real estate development contemplated on the Navajo Reservation. In some parts of the reservation intensive development for residential or commercial use is being considered.

Mr. Ernst explained that difficult problems arise under present laws limiting leases to what is the equivalent of a 50-year period due to the fact that by the time financing is obtained by the lessee, the lease has less than 50 years to run, while the Federal Reserve Act and the National Housing Act require a minimum of 50-year leases before approving loans secured by lease holdings.

In its report the Department called attention to the 99-year leasing legislation enacted last year for the Palm Springs Reservation in California and pointed out that H. R. 9382 in its present form would substitute the Navajo for the Palm Springs Reservation. The Department recommended that the bill be modified so that the Navajo authorization would-be in addition to rather than in lieu of the Palm Springs authority.