Indian Affairs - Office of Public Affairs

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For Immediate Release: April 13, 1956
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A new set of regulations on the leasing of Indian lands held in trust by the Federal Government, which will permit leasing in some cases up to 25 years, in line with a Congressional law enacted last August, was announced today by Secretary of the Interior Douglas McKay.

Under the old law, Secretary McKay explained, most leases of Indian land were limited to a five-year period although longer leases were permitted in some cases.

“Because of this limitation," he continued, “there has been for many years little or no interest in leasing Indian lands for business, recreational or other purposes involving substantial investments which can be amortized only over a comparatively long period. As a result, many Indian landowners have been deprived of valuable rental income on properties which are well situated for long-term leasing. The enactment of last August and the new regulations are designed to correct this inequitable situation and permit the leasing of Indian lands for their highest and best purposes."

The duration of leases for nonagricultural (public, religious, educational, recreational, residential, or business) purposes will be determined in each case by the requirements for amortization of the capital to be invested. Where circumstances justify, such leases may be made for as long as 25 years and renewals for not more than an additional 25 years may be made with the consent of both parties.

Agricultural leases, however, are limited to 10 years except in cases where the production of specialized crops or the development of soil or water resources would require substantial investments which would, in the judgment of the Secretary or his authorized representative, justify longer leases up to a maximum of 25 years.

Grazing leases may be executed for as long as 10 years where substantial developments or improvements are involved.

Apart from the matter of term, the only other major change from the old leasing regulations is a restriction against the payment of rentals more than one year in advance of the lease's effective date. Exceptions to this requirement may be authorized in unusual cases by the Indian Bureau’s area directors.