

TITLE 40 - PUBLIC BUILDINGS, PROPERTY, AND WORKS
SUBTITLE I - FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES
CHAPTER 5 - PROPERTY MANAGEMENT
SUBCHAPTER III - DISPOSING OF PROPERTY

§ 550. Disposal of real property for certain purposes

(a) **Definition.**— In this section, the term “State” includes the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(b) **Enforcement and Revision of Instruments Transferring Property Under This Section.**—

(1) **In general.**— Subject to disapproval by the Administrator of General Services within 30 days after notice of a proposed action to be taken under this section, except for personal property transferred pursuant to section 549 of this title, the official specified in paragraph (2) shall determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in an instrument by which a transfer under this section is made. The official shall reform, correct, or amend the instrument if necessary to correct the instrument or to conform the transfer to the requirements of law. The official shall grant a release from any term, condition, reservation or restriction contained in the instrument, and shall convey, quitclaim, or release to the transferee (or other eligible user) any right or interest reserved to the Federal Government by the instrument, if the official determines that the property no longer serves the purpose for which it was transferred or that a release, conveyance, or quitclaim deed will not prevent accomplishment of that purpose. The release, conveyance, or quitclaim deed may be made subject to terms and conditions that the official considers necessary to protect or advance the interests of the Government.

(2) **Specified official.**— The official referred to in paragraph (1) is—

(A) the Secretary of Education, for property transferred under subsection (c) for school, classroom, or other educational use;

(B) the Secretary of Health and Human Services, for property transferred under subsection (d) for use in the protection of public health, including research;

(C) the Secretary of the Interior, for property transferred under subsection (e) for public park or recreation area use;

(D) the Secretary of Housing and Urban Development, for property transferred under subsection (f) to provide housing or housing assistance for low-income individuals or families; and

(E) the Secretary of the Interior, for property transferred under subsection (h) for use as a historic monument for the benefit of the public.

(c) **Property for School, Classroom, or Other Educational Use.**—

(1) **Assignment.**— The Administrator, in the Administrator’s discretion and under regulations that the Administrator may prescribe, may assign to the Secretary of Education for disposal surplus real property, including buildings, fixtures, and equipment situated on the property, that the Secretary recommends as needed for school, classroom, or other educational use.

(2) **Sale or lease.**— Subject to disapproval by the Administrator within 30 days after notice to the Administrator by the Secretary of Education of a proposed transfer, the Secretary, for school, classroom, or other educational use, may sell or lease property assigned to the Secretary under paragraph (1) to a State, a political subdivision or instrumentality of a State, a tax-supported educational institution, or a nonprofit educational institution that has been held exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501 (c)(3)).

(3) **Fixing value.**— In fixing the sale or lease value of property disposed of under paragraph (2), the Secretary of Education shall take into consideration any benefit which has accrued or may accrue to the Government from the use of the property by the State, political subdivision or instrumentality, or institution.

(d) Property for Use in the Protection of Public Health, Including Research.—

(1) **Assignment.**— The Administrator, in the Administrator’s discretion and under regulations that the Administrator may prescribe, may assign to the Secretary of Health and Human Services for disposal surplus real property, including buildings, fixtures, and equipment situated on the property, that the Secretary recommends as needed for use in the protection of public health, including research.

(2) **Sale or lease.**— Subject to disapproval by the Administrator within 30 days after notice to the Administrator by the Secretary of Health and Human Services of a proposed transfer, the Secretary, for use in the protection of public health, including research, may sell or lease property assigned to the Secretary under paragraph (1) to a State, a political subdivision or instrumentality of a State, a tax-supported medical institution, or a hospital or similar institution not operated for profit that has been held exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501 (c)(3)).

(3) **Fixing value.**— In fixing the sale or lease value of property disposed of under paragraph (2), the Secretary of Health and Human Services shall take into consideration any benefit which has accrued or may accrue to the Government from the use of the property by the State, political subdivision or instrumentality, or institution.

(e) Property for Use as a Public Park or Recreation Area.—

(1) **Assignment.**— The Administrator, in the Administrator’s discretion and under regulations that the Administrator may prescribe, may assign to the Secretary of the Interior for disposal surplus real property, including buildings, fixtures, and equipment situated on the property, that the Secretary recommends as needed for use as a public park or recreation area.

(2) **Sale or lease.**— Subject to disapproval by the Administrator within 30 days after notice to the Administrator by the Secretary of the Interior of a proposed transfer, the Secretary, for public park or recreation area use, may sell or lease property assigned to the Secretary under paragraph (1) to a State, a political subdivision or instrumentality of a State, or a municipality.

(3) **Fixing value.**— In fixing the sale or lease value of property disposed of under paragraph (2), the Secretary of the Interior shall take into consideration any benefit which has accrued or may accrue to the Government from the use of the property by the State, political subdivision or instrumentality, or municipality.

(4) **Deed of conveyance.**— The deed of conveyance of any surplus real property disposed of under this subsection—

(A) shall provide that all of the property be used and maintained for the purpose for which it was conveyed in perpetuity, and that if the property ceases to be used or maintained for that purpose, all or any portion of the property shall, in its then existing condition, at the option of the Government, revert to the Government; and

(B) may contain additional terms, reservations, restrictions, and conditions the Secretary of the Interior determines are necessary to safeguard the interests of the Government.

(f) Property for Low Income Housing Assistance.—

(1) **Assignment.**— The Administrator, in the Administrator’s discretion and under regulations that the Administrator may prescribe, may assign to the Secretary of Housing and Urban Development for disposal surplus real property, including buildings, fixtures, and equipment situated on the property, that the Secretary recommends as needed to provide housing or housing assistance for low-income individuals or families.

(2) **Sale or lease.**— Subject to disapproval by the Administrator within 30 days after notice to the Administrator by the Secretary of Housing and Urban Development of a proposed transfer, the Secretary, to provide housing or housing assistance for low-income individuals or families, may sell or lease property assigned to the Secretary under paragraph (1) to a State, a political

subdivision or instrumentality of a State, or a nonprofit organization that exists for the primary purpose of providing housing or housing assistance for low-income individuals or families.

(3) Self-help housing.—

(A) In general.— The Administrator shall disapprove a proposed transfer of property under this subsection unless the Administrator determines that the property will be used for low-income housing opportunities through the construction, rehabilitation, or refurbishment of self-help housing, under terms requiring that—

(i) subject to subparagraph (B), an individual or family receiving housing or housing assistance through use of the property shall contribute a significant amount of labor toward the construction, rehabilitation, or refurbishment; and

(ii) dwellings constructed, rehabilitated, or refurbished through use of the property shall be quality dwellings that comply with local building and safety codes and standards and shall be available at prices below prevailing market prices.

(B) Guidelines for considering disabilities.— For purposes of fulfilling self-help requirements under paragraph (3)(A)(i), the Administrator shall ensure that nonprofit organizations receiving property under paragraph (2) develop and use guidelines to consider any disability (as defined in section 3(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102 (2))).

(4) Fixing value.—

(A) In general.— In fixing the sale or lease value of property disposed of under paragraph (2), the Secretary of Housing and Urban Development shall take into consideration and discount the value for any benefit which has accrued or may accrue to the Government from the use of the property by the State, political subdivision or instrumentality, or nonprofit organization.

(B) Amount of discount.— The amount of the discount under subparagraph (A) is 75 percent of the market value of the property, except that the Secretary of Housing and Urban Development may discount by a greater percentage if the Secretary, in consultation with the Administrator, determines that a higher percentage is justified.

(g) Property for National Service Activities.—

(1) Assignment.— The Administrator, in the Administrator's discretion and under regulations that the Administrator may prescribe, may assign to the Chief Executive Officer of the Corporation for National and Community Service for disposal surplus property that the Chief Executive Officer recommends as needed for national service activities.

(2) Sale, lease, or donation.— Subject to disapproval by the Administrator within 30 days after notice to the Administrator by the Chief Executive Officer of a proposed transfer, the Chief Executive Officer, for national service activities, may sell, lease, or donate property assigned to the Chief Executive Officer under paragraph (1) to an entity that receives financial assistance under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

(3) Fixing value.— In fixing the sale or lease value of property disposed of under paragraph (2), the Chief Executive Officer shall take into consideration any benefit which has accrued or may accrue to the Government from the use of the property by the entity receiving the property.

(h) Property for Use as a Historic Monument.—

(1) Conveyance.—

(A) In general.— Without monetary consideration to the Government, the Administrator may convey to a State, a political subdivision or instrumentality of a State, or a municipality, the right, title, and interest of the Government in and to any surplus real and related personal property that the Secretary of the Interior determines is suitable and desirable for use as a historic monument for the benefit of the public.

(B) Recommendation by national park system advisory board.— Property may be determined to be suitable and desirable for use as a historic monument only in conformity with a recommendation by the National Park System Advisory Board established under section 3 of the Act of August 21, 1935 (16 U.S.C. 463) (known as the Historic Sites, Buildings, and Antiquities Act). Only the portion of the property that is necessary for the preservation and proper observation of the property’s historic features may be determined to be suitable and desirable for use as a historic monument.

(2) Revenue-producing activity.—

(A) In general.— The Administrator may authorize use of any property conveyed under this subsection for revenue-producing activities if the Secretary of the Interior—

- (i) determines that the activities are compatible with use of the property for historic monument purposes;
- (ii) approves the grantee’s plan for repair, rehabilitation, restoration, and maintenance of the property;
- (iii) approves the grantee’s plan for financing the repair, rehabilitation, restoration, and maintenance of the property; and
- (iv) examines and approves the accounting and financial procedures used by the grantee.

(B) Use of excess income.— The Secretary of the Interior may approve a grantee’s financial plan only if the plan provides that the grantee shall use income exceeding the cost of repair, rehabilitation, restoration, and maintenance only for public historic preservation, park, or recreational purposes.

(C) Audits.— The Secretary of the Interior may periodically audit the records of the grantee that are directly related to the property conveyed.

(3) Deed of conveyance.— The deed of conveyance of any surplus real property disposed of under this subsection—

(A) shall provide that all of the property be used and maintained for historical monument purposes in perpetuity, and that if the property ceases to be used or maintained for historical monument purposes, all or any portion of the property shall, in its then existing condition, at the option of the Government, revert to the Government; and

(B) may contain additional terms, reservations, restrictions, and conditions the Administrator determines are necessary to safeguard the interests of the Government.

(Pub. L. 107–217, Aug. 21, 2002, 116 Stat. 1094.)

Historical and Revision Notes

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
550(a)	40:484(k)(1)(D).	June 30, 1949, ch. 288, title II, § 203(k), 63 Stat. 387; July 12, 1952, ch. 703, § 1(j), 66 Stat. 593; June 3, 1955, ch. 130, § 6(a), (c), 69 Stat. 84, 85; July 3, 1956, ch. 513, § 2, 70 Stat. 494; Pub. L. 91–485, § 2, Oct. 22, 1970, 84 Stat. 1084; Pub. L. 92–362, § 1, Aug. 4, 1972, 86 Stat. 503; Pub. L. 94–519, § 1(2), Oct. 17, 1976, 90 Stat. 2453; Pub. L. 103–82, title II, § 202(f), Sept. 21, 1993, 107 Stat. 888; Pub. L. 105–50, § 2, Oct. 6, 1997, 111 Stat. 1167.
550(b)	40:484(k)(4).	

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
550(c)	40:484(k)(1) (matter before (A) related to education), (A), (C) (related to education).	
550(d)	40:484(k)(1) (matter before (A) related to public health), (B), (C) (related to public health).	
550(e)	40:484(k)(2).	
550(f)	40:484(k)(6).	
550(g)	40:484(k)(5).	
550(h)	40:484(k)(3).	

In subsections (b)(2), (c), and (d), the words “Secretary of Education” and “Secretary of Health and Human Services” are substituted for “Secretary of Health, Education, and Welfare”, as appropriate, because of sections 301(a)(2)(P) and (b), 507, and 509(b) of the Department of Education Organization Act (20:3441(a)(2)(P) and (b), 3507, and 3508(b)).

In subsection (b)(2), the words “the Surplus Property Act of 1944, as amended”, and the text of 40:484(k)(4)(D), are omitted because the relevant provisions of the Surplus Property Act of 1944 (50 App.:1611 et seq.) have been repealed.

In subsection (e), the definition of “States” is omitted as unnecessary because of 40:484(k)(1)(D), restated in subsection (a).

In subsection (e)(4), the words “this subsection” are used to reflect the probable intent of Congress. In 40:484(k)(2)(C), the words “this subsection” should probably be “this paragraph”, meaning 40:484(k)(2). In the revised section, the reference to 40:484(k)(2) is translated as “this subsection” to reflect the restatement of 40:484(k)(2) as subsection (e) of the revised section.

In subsection (h), the definition of “States”, is omitted as unnecessary because of 40:484(k)(1)(D), restated in subsection (a).

In subsection (h)(1)(B), the words “National Park System Advisory Board” are substituted for “Advisory Board on National Parks, Historic Sites, Buildings and Monuments” because of the amendment of 16:463 by section 9 of the Act of August 18, 1970 (Public Law 91–383), as added by section 2 of the Act of October 7, 1976 (Public Law 94–458, 90 Stat. 1940).

In subsection (h)(2)(A), the words “this subsection” are used to reflect the probable intent of Congress. In 40:484(k)(3)(A), the words “this subsection” should probably be “this paragraph”, meaning 40:484(k)(3). In the revised section, the reference to 40:484(k)(3) is translated as “this subsection” to reflect the restatement of 40:484(k)(3) as subsection (h) of the revised section. The words “or the Surplus Property Act of 1944, as amended” are omitted because the relevant provisions of the Surplus Property Act of 1944 (50 App.:1611 et seq.) have been repealed.

In subsection (h)(3), the words “this subsection” are used to reflect the probable intent of Congress. In 40:484(k)(3)(B), the words “this subsection” should probably be “this paragraph”, meaning 40:484(k)(3). In the revised section, the reference to 40:484(k)(3) is translated as “this subsection” to reflect the restatement of 40:484(k)(3) as subsection (h) of the revised section.

References in Text

The National and Community Service Act of 1990, referred to in subsec.(g)(2), is Pub. L. 101–610, Nov. 16, 1990, 104 Stat. 3127, as amended, which is classified principally to chapter 129 (§ 12501 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 12501 of Title 42 and Tables.