fund will be used exclusively for capital investment. Forty percent of the fund ordinarily will be allocated among the National Park Service, the Forest Service, and the Bureau of Sport Fisheries and Wildlife for the acquisition of lands and waters for outdoor recreation and the preservation of endangered species of wildlife. Sixty percent will be allocated for equal matching grants to the States for the planning, acquisition, and development of outdoor recreation areas and facilities.

The Federal Water Projects Recreation Act encourages non-Federal public agencies to administer recreation areas at Federal multiple-purpose water resource projects. If a letter of intent is supplied by a non-Federal agency before project authorization and a contract signed before project construction, under which the non-Federal public agency agrees to repay half the separable costs attributable to outdoor recreation and to operate and maintain the facility at its expense, the Federal construction agency may incorporate into ...ect complete land and facilities to meet the full public demand for outdoor recreation. The Federal Government will then pay the remaining separable costs and all joint costs from general tax revenues as nonreimbursable costs. The land and water conservation fund cannot be charged to repay such costs.

Non-Federal public bodies may elect several ways to repay their share of project recreation costs. They may provide the sum outright from taxes, borrowing, other available sources; they may provide land or other property; or they may agree to repay the amount with interest over a 50-year period from tax revenues or by pledging the proceeds entrance and user charges for the area. The authority now available to pledge revenues from user charges may become the most popular method among non-Federal public agencies for repayment of capital costs at Federal water projects.

Private entrepreneurs operating facilities as concessions on State and Federal recreation lands impose user charges intended to recover costs of operation, depreciation, debt service, and a profit.

Until the advent of the land and water conservation fund, most expenditures both for capital investment in land, water, and ...s, and for operation and maintenance of recreation areas ...t out of general tax resources. Unless subsequent legislation ...ed, future Federal investments in facilities and all operating ...ntenance costs of Federal recreation areas will continue to be ...n general tax resources. By the end of fiscal year 1966, the Government had not issued any general obligation bonds to ... specific recreation projects.

Most States have heretofore depended upon general tax resources for funding of capital investments. In the past 5 years, general ...on bonds have become more popular as a source of capital for ...on purposes. In the future, the States are expected to ... heavily on three sources: Grants-in-aid from the land and ...nservation fund, the open space program, and the Greenspan ... of the U.S. Department of Agriculture; bond issues, and ...oth general and special.

The less populous States seem likely to depend upon Federal ...n-aid for half of their capital investments. The equalization