Section 901(a)(3) concerns the establishment of a fair and reasonable price to be paid for property acquired. We interpret this provision as assuring that the Government will reimburse landowners in an amount which is fair and reasonable, commensurate with the appraised value of the land, and arrived at through mutual negotiation. We do not believe that the provision is intended to preclude effective negotiation or to establish a "one price" policy. Since some of the administering agencies so interpret the section, we recommend that the legislative history make it clear that a hard and fast "one price" policy is not intended.

Section 902 provides that when real property is acquired, the fair market value for such property should be paid therefor unless it is the intention of the seller to convey the property for less than fair market value. We concur with this provision.

Section 903(c) provides that in determining the extent of real property to be acquired and the evaluation thereof, we should pay for tenants' improvements even though the tenant may be required to remove the improvements by a contract with the owner of the land. The Department of Justice and some of the major land owning agencies point out that the present language might cause the Federal Government to pay both the property owner and the tenant for the improvements. We will be glad to provide language to assure that the interest of the United States will be protected and the objective of the provision accomplished.

Section 904 provides that an acquiring agency shall reimburse the seller for all reasonable expenses incidental to the transfer of title to the Government. We favor the objective of this provision, but recommend certain minor amendments concerning the timing of the payment and limitations on reimbursement to sellers for mortgage penalty costs. We will provide language to improve this section.

Section 905(b) details those land acquisition policies that State agencies will be required to follow after January 1, 1970 to obtain approval of grants, agreements, or contracts for Federal financial assistance where acquisition of land or of any public improvement is part of the cost. We recommend that this provision be amended to defer the effective date of the requirement for three years after enactment to allow State and local governments sufficient time to make necessary changes in their laws.

Section 905(b)(3) provides for the acquisition of tenants' improvements in federally assisted programs. The purpose of this section is identical to the purpose of section 903(c) which is applicable to Federal programs. We have already recommended certain revisions to section 903(c). We believe that the two sections should be identical.

Section 906 provides that effective January 1, 1970, certain specified sections of the Housing and Urban Development Act of 1965 are repealed. We have already recommended that the effective date for the requirements of Federal aid specified in Section 905(b) be changed to three years after enactment. We would make the same recommendation concerning repeal of the specified sections of the Housing and Urban Development Act of 1965.

The purpose of *Title X* is to encourage simplification and improve coordination of accounting, auditing, and financial reporting requirements of Federal assistance programs, and to provide for a survey of the adequacy and effectiveness of the accounting and auditing systems of recipient jurisdictions. Additionally, this title of the bill places new responsibilities upon the Comptroller General of the United States in respect to the financial administration of grant programs at the State and local levels, including the promulgation of rules and regulations for using State and political subdivision accounting and auditing in meeting financial management requirements of such programs. This title of the bill would also require a joint study by the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget, looking towards improvement of the financial administration of grant programs at the Federal and local levels.

We agree that there is need for improving the financial management of grant programs through more simplification and better coordination of accounting, auditing, and reporting activities. The Committee may be interested to know that in 1965 the Bureau of the Budget issued Circular No. A–73, the purpose of which is to promote improved audit practices and to achieve more efficient use of manpower through improved coordination of the efforts of Federal, State, and local government audit staff.