

# Union Calendar No. 211

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 706

[Report No. 107-368]

To direct the Secretary of the Interior to convey certain properties in the vicinity of the Elephant Butte Reservoir and the Caballo Reservoir, New Mexico.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2001

Mr. SKEEN introduced the following bill; which was referred to the Committee on Resources

MARCH 7, 2002

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on February 14, 2001]

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## A BILL

To direct the Secretary of the Interior to convey certain properties in the vicinity of the Elephant Butte Reservoir and the Caballo Reservoir, New Mexico.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Lease Lot Conveyance*  
3 *Act of 2002”.*

4 **SEC. 2. FINDINGS.**

5 *The Congress finds that the conveyance of the Prop-*  
6 *erties to the Lessees for fair market value would have the*  
7 *beneficial results of—*

8 *(1) eliminating Federal payments in lieu of*  
9 *taxes and associated management expenditures in*  
10 *connection with the Government’s ownership of the*  
11 *Properties, while increasing local tax revenues from*  
12 *the new owners;*

13 *(2) sustaining existing economic conditions in*  
14 *the vicinity of the Properties, while providing the new*  
15 *owners of the Properties the security to invest in per-*  
16 *manent structures and improvements; and*

17 *(3) adding needed jobs to the county in which the*  
18 *Properties are located and increasing revenue to the*  
19 *county and surrounding communities through prop-*  
20 *erty and gross receipt taxes, thereby increasing eco-*  
21 *nomics stability and a sustainable economy in one of*  
22 *the poorest counties in New Mexico.*

23 **SEC. 3. DEFINITIONS.**

24 *In this Act:*

1           (1) *FAIR MARKET VALUE.*—The term “fair mar-  
2           ket value” means, with respect to a parcel of prop-  
3           erty, the value of the property determined—

4                   (A) without regard to improvements con-  
5                   structed by the Lessee of the property;

6                   (B) by an appraisal in accordance with the  
7                   Uniform Standards for Federal Land Acquisi-  
8                   tions; and

9                   (C) by an appraiser approved by the Sec-  
10                  retary and the purchaser.

11           (2) *IRRIGATION DISTRICTS.*—The term “Irriga-  
12           tion Districts” means the Elephant Butte Irrigation  
13           District and the El Paso County Water Improvement  
14           District No. 1.

15           (3) *LESSEE.*—The term “Lessee” means the  
16           leaseholder of a Property on the date of enactment of  
17           this Act, and any heir, executor, or assign of the  
18           leaseholder with respect to that leasehold interest.

19           (4) *PROPERTY.*—The term “Property” means  
20           any of the cabin sites comprising the Properties.

21           (5) *PROPERTIES.*—The term “Properties” means  
22           all the real property comprising 403 cabin sites under  
23           the administrative jurisdiction of the Bureau of Rec-  
24           lamation that are located along the western portion  
25           of the reservoirs in Elephant Butte State Park and

1       *Caballo State Park, New Mexico, including easements,*  
2       *roads, and other appurtenances. The exact acreage*  
3       *and legal description of such real property shall be*  
4       *determined by the Secretary after consulting with the*  
5       *Purchaser.*

6               (6) *PURCHASER.*—*The term “Purchaser” means*  
7       *the Elephant Butte/Caballo Leaseholders Association,*  
8       *Inc., a nonprofit corporation established under the*  
9       *laws of New Mexico.*

10              (7) *RESERVOIRS.*—*The term “reservoirs” means*  
11       *the Elephant Butte Reservoir and the Caballo Res-*  
12       *ervoir in the State of New Mexico.*

13              (8) *SECRETARY.*—*The term “Secretary” means*  
14       *the Secretary of the Interior.*

15       **SEC. 4. CONVEYANCE OF PROPERTIES.**

16              (a) *IN GENERAL.*—*The Secretary shall convey to the*  
17       *Purchaser in accordance with this Act, subject to valid ex-*  
18       *isting rights, all right, title, and interest of the United*  
19       *States in and to the Properties and all appurtenances there-*  
20       *to, including specifically easements for—*

21                       (1) *vehicular access to each Property;*

22                       (2) *drainage; and*

23                       (3) *access to and the use of all ramps, retaining*  
24       *walls, and other improvements for which access is*

1       *provided under the leases that apply to the Properties*  
2       *as of the date of the enactment of this Act.*

3       **(b) CONSIDERATION.**—*As consideration for any con-*  
4       *veyance under this section, the Secretary shall require the*  
5       *Purchaser to pay to the United States fair market value*  
6       *of the Properties.*

7       **SEC. 5. TERMS OF CONVEYANCE.**

8       **(a) SPECIFIC CONDITIONS.**—*As conditions of any con-*  
9       *veyance to the Purchaser under this Act, the Secretary shall*  
10      *require the following:*

11           **(1) LEASEHOLDERS' OPTION.**—*The Purchaser*  
12      *shall grant to each Lessee of a Property an option—*

13                   **(A)** *to purchase the Property at fair market*  
14                   *value; or*

15                   **(B)** *to continue leasing the Property on*  
16                   *terms to be negotiated with the Purchaser.*

17           **(2) ADMINISTRATIVE COSTS.**—*Any reasonable*  
18      *administrative cost incurred by the Secretary inci-*  
19      *dent to the conveyance under section 6 shall be reim-*  
20      *bursed by the Purchaser.*

21      **(b) RESTRICTIVE USE COVENANT.**—

22           **(1) IN GENERAL.**—*To maintain the unique char-*  
23      *acter of the area in the vicinity of the Reservoirs, the*  
24      *Secretary shall establish, by the terms of conveyance,*  
25      *use restrictions to carry out paragraph (2) that—*

1           (A) are appurtenant to, and run with, each  
2           Property; and

3           (B) are binding upon each subsequent  
4           owner of each Property.

5           (2) ACCESS TO RESERVOIRS.—The use restric-  
6           tions required by paragraph (1) shall ensure that—

7           (A) public access to and along the shoreline  
8           of the Reservoirs in existence on the date of en-  
9           actment of this Act is not obstructed;

10          (B) adequate public access to and along the  
11          shoreline of the Reservoirs is maintained; and

12          (C) the operation of the Reservoirs by the  
13          Secretary or the Irrigation Districts shall not re-  
14          sult in liability of the United States or the Irri-  
15          gation Districts for damages incurred, as a di-  
16          rect or indirect result of such operation, by the  
17          owner of any Property conveyed under this Act,  
18          including—

19                  (i) damages for any loss of use or en-  
20                  joyment of a Property; and

21                  (ii) damages resulting from any modi-  
22                  fications or construction of any reservoir  
23                  dam.

24          (c) TIMING.—

1           (1) *IN GENERAL.*—*The Secretary shall convey the*  
2           *Properties under this Act as soon as practicable after*  
3           *the date of enactment of this Act and in accordance*  
4           *with all applicable law.*

5           (2) *REPORT.*—*If the Secretary has not completed*  
6           *conveyance of the Properties to the Purchaser by the*  
7           *end of the 1-year period beginning on the date of the*  
8           *enactment of this Act, the Secretary shall, before the*  
9           *end of that period, submit a report to the Congress ex-*  
10          *plaining the reasons that conveyance has not been*  
11          *completed and stating the date by which the convey-*  
12          *ance will be completed.*

13          (d) *REIMBURSEMENT OF PURCHASER’S COSTS.*—*The*  
14          *terms of conveyance shall authorize the Purchaser to require*  
15          *each Lessee to reimburse the Purchaser for a proportionate*  
16          *share of the costs incurred by the Purchaser in completing*  
17          *the transactions pursuant to this Act, including any inter-*  
18          *est charges.*

19          **SEC. 6. RESOLUTION OF CLAIMS AND DISPUTES.**

20          *After conveyance of the Properties to the Purchaser,*  
21          *if any Lessee has a dispute with or claim against the Pur-*  
22          *chaser or any of its officers, directors, or members arising*  
23          *from the Properties, the Lessee shall promptly give written*  
24          *notice of the dispute or claim to the Purchaser. If such no-*  
25          *tice is not provided to the Purchaser within 20 days after*

1 *the date the Lessee knew or should have known of such dis-*  
2 *pute or claim, then any right of the Lessee for relief based*  
3 *on such dispute or claim shall be waived. If the Lessee and*  
4 *the Purchaser are unable to resolve the dispute or claim*  
5 *by mediation, the dispute or claim shall be resolved by bind-*  
6 *ing arbitration.*

7 **SEC. 7. FEDERAL RECLAMATION LAW.**

8 *No conveyance under this Act shall restrict or limit*  
9 *the authority or ability of the Secretary to fulfill the duties*  
10 *of the Secretary under the Act of June 17, 1902 (32 Stat.*  
11 *388, chapter 1093), and Acts supplemental to and amend-*  
12 *atory of that Act (43 U.S.C. 371 et seq.).*



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