

Public Law 107-335
107th Congress

An Act

Dec. 16, 2002
[H.R. 706]

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.

Lease Lot
Conveyance Act
of 2002.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

SEC. 2. FINDINGS.

The Congress finds that the conveyance of the Properties to the Lessees for fair market value would have the beneficial results of—

- (1) eliminating Federal payments in lieu of taxes and associated management expenditures in connection with the Government’s ownership of the Properties, while increasing local tax revenues from the new owners;
- (2) sustaining existing economic conditions in the vicinity of the Properties, while providing the new owners of the Properties the security to invest in permanent structures and improvements; and
- (3) adding needed jobs to the county in which the Properties are located and increasing revenue to the county and surrounding communities through property and gross receipt taxes, thereby increasing economic stability and a sustainable economy in one of the poorest counties in New Mexico.

SEC. 3. DEFINITIONS.

In this Act:

- (1) **FAIR MARKET VALUE.**—The term “fair market value” means, with respect to a parcel of property, the value of the property determined—
 - (A) without regard to improvements constructed by the Lessee of the property;
 - (B) by an appraisal in accordance with the Uniform Standards for Federal Land Acquisitions; and
 - (C) by an appraiser approved by the Secretary and the purchaser.
- (2) **IRRIGATION DISTRICTS.**—The term “Irrigation Districts” means the Elephant Butte Irrigation District and the El Paso County Water Improvement District No. 1.
- (3) **LESSEE.**—The term “Lessee” means the leaseholder of a Property on the date of enactment of this Act, and any

heir, executor, or assign of the leaseholder with respect to that leasehold interest.

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

(5) **PROPERTIES.**—The term “Properties” means all the real property comprising 403 cabin sites under the administrative jurisdiction of the Bureau of Reclamation that are located along the western portion of the reservoirs in Elephant Butte State Park and Caballo State Park, New Mexico, including easements, roads, and other appurtenances. The exact acreage and legal description of such real property shall be determined by the Secretary after consulting with the Purchaser.

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

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

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

SEC. 4. CONVEYANCE OF PROPERTIES.

(a) **IN GENERAL.**—The Secretary shall convey to the Purchaser in accordance with this Act, subject to valid existing rights, all right, title, and interest of the United States in and to the Properties and all appurtenances thereto, including specifically easements for—

(1) vehicular access to each Property;

(2) drainage; and

(3) access to and the use of all ramps, retaining walls, and other improvements for which access is provided under the leases that apply to the Properties as of the date of the enactment of this Act.

(b) **CONSIDERATION.**—As consideration for any conveyance under this section, the Secretary shall require the Purchaser to pay to the United States fair market value of the Properties.

SEC. 5. TERMS OF CONVEYANCE.

(a) **SPECIFIC CONDITIONS.**—As conditions of any conveyance to the Purchaser under this Act, the Secretary shall require the following:

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

(A) to purchase the Property at fair market value;

or

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

(2) **ADMINISTRATIVE COSTS.**—Any reasonable administrative cost incurred by the Secretary incident to the conveyance under section 6 shall be reimbursed by the Purchaser.

(b) **RESTRICTIVE USE COVENANT.**—

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

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

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

(2) ACCESS TO RESERVOIRS.—The use restrictions required by paragraph (1) shall ensure that—

(A) public access to and along the shoreline of the Reservoirs in existence on the date of enactment of this Act is not obstructed;

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

(C) the operation of the Reservoirs by the Secretary or the Irrigation Districts shall not result in liability of the United States or the Irrigation Districts for damages incurred, as a direct or indirect result of such operation, by the owner of any Property conveyed under this Act, including—

(i) damages for any loss of use or enjoyment of a Property; and

(ii) damages resulting from any modifications or construction of any reservoir dam.

(c) TIMING.—

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

Deadline.

(2) REPORT.—If the Secretary has not completed conveyance of the Properties to the Purchaser by the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary shall, before the end of that period, submit a report to the Congress explaining the reasons that conveyance has not been completed and stating the date by which the conveyance will be completed.

(d) REIMBURSEMENT OF PURCHASER'S COSTS.—The terms of conveyance shall authorize the Purchaser to require each Lessee to reimburse the Purchaser for a proportionate share of the costs incurred by the Purchaser in completing the transactions pursuant to this Act, including any interest charges.

SEC. 6. RESOLUTION OF CLAIMS AND DISPUTES.

Notification.

After conveyance of the Properties to the Purchaser, if any Lessee has a dispute with or claim against the Purchaser or any of its officers, directors, or members arising from the Properties, the Lessee shall promptly give written notice of the dispute or claim to the Purchaser. If such notice is not provided to the Purchaser within 20 days after the date the Lessee knew or should have known of such dispute or claim, then any right of the Lessee for relief based on such dispute or claim shall be waived. If the Lessee and the Purchaser are unable to resolve the dispute or claim by mediation, the dispute or claim shall be resolved by binding arbitration.

SEC. 7. FEDERAL RECLAMATION LAW.

No conveyance under this Act shall restrict or limit the authority or ability of the Secretary to fulfill the duties of the Secretary under the Act of June 17, 1902 (32 Stat. 388, chapter

1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.).

Approved December 16, 2002.

LEGISLATIVE HISTORY—H.R. 706:

HOUSE REPORTS: No. 107-368 (Comm. on Resources).

SENATE REPORTS: No. 107-287 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 148 (2002):

Mar. 19, considered and passed House.

Nov. 19, considered and passed Senate.