

105TH CONGRESS
2D SESSION

H. R. 3963

To establish terms and conditions under which the Secretary of the Interior shall convey leaseholds in certain properties around Canyon Ferry Reservoir, Montana.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1998

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

A BILL

To establish terms and conditions under which the Secretary of the Interior shall convey leaseholds in certain properties around Canyon Ferry Reservoir, Montana.

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

3 **SECTION 1. FINDINGS.**

4 Congress finds that the conveyance of the Properties
5 described in section 4(b) to the Lessees of those Properties
6 for fair market value would have the beneficial results of—

7 (1) reducing Pick-Sloan project debt for the
8 Canyon Ferry Unit;

1 (2) providing a permanent source of funding for
2 projects that develop and maintain public recreation,
3 and that conserve and enhance fish and wildlife op-
4 portunities in the State of Montana;

5 (3) reducing Federal payments in lieu of taxes
6 and associated management expenditures in connec-
7 tion with the Government’s ownership of the Prop-
8 erties while increasing local tax revenues from the
9 new owners; and

10 (4) eliminating expensive and contentious dis-
11 putes between the Secretary and leaseholders while
12 ensuring that the Federal Government receives full
13 and fair value for the acquisition of the Properties.

14 **SEC. 2. PURPOSE.**

15 The purpose of this Act is to establish terms and con-
16 ditions under which the Secretary of the Interior shall, for
17 fair market value, convey certain Properties around Can-
18 yon Ferry Reservoir, Montana, to the Lessees of those
19 Properties.

20 **SEC. 3. DEFINITIONS.**

21 In this Act:

22 (1) CFRA.—The term “CFRA” means Canyon
23 Ferry Recreation Association, Incorporated, a Mon-
24 tana corporation.

1 (2) LESSEE.—The term “Lessee” means the
 2 leaseholder of 1 of the properties described in sec-
 3 tion 4(b) on the date of enactment of this Act and
 4 the leaseholder’s heirs, executors, and assigns of
 5 their leasehold interest.

6 (3) PROPERTY.—The term “Property” means 1
 7 of the properties described in section 4(b).

8 (4) PURCHASER.—The term “Purchaser”
 9 means a person or entity, excluding CFRA, that
 10 purchases the 265 leaseholds under section 4.

11 (5) RESERVOIR.—The term “Reservoir” means
 12 the Canyon Ferry Reservoir in the State of Mon-
 13 tana.

14 (6) SECRETARY.—The term “Secretary” means
 15 the Secretary of the Interior.

16 **SEC. 4. SALE OF LEASEHOLDS.**

17 (a) IN GENERAL.—Subject to subsection (c) and not-
 18 withstanding any other provision of law, the Secretary
 19 shall sell at fair market value—

20 (1) all right, title, and interest of the United
 21 States in and to all (but not fewer than all) of the
 22 leaseholds described in subsection (b), subject to
 23 valid existing rights; and

24 (2) easements for—

25 (A) vehicular access to each leasehold;

1 (B) access to and the use of 1 dock per
2 leasehold; and

3 (C) access to and the use of all boathouses,
4 ramps, retaining walls, and other improvements
5 for which access is provided in the leases as of
6 the date of this Act.

7 (b) DESCRIPTION OF LEASEHOLDS.—

8 (1) IN GENERAL.—The leaseholds to be con-
9 veyed are—

10 (A) the 265 cabin sites of the Bureau of
11 Reclamation located along the northern portion
12 of the Reservoir in portions of sections 2, 11,
13 12, 13, 15, 22, 23, and 26, Township 10 North,
14 Range 1 West; plus

15 (B) any small parcels contiguous to the
16 leaseholds (not including shoreline property or
17 property needed to provide public access to the
18 shoreline of the Reservoir) that the Secretary
19 determines should be conveyed in order to elimi-
20 nate inholdings and facilitate administration of
21 surrounding land remaining in Federal owner-
22 ship.

23 (2) ACREAGE; LEGAL DESCRIPTION.—The acre-
24 age and legal description of each Property shall be
25 agreed on by the Secretary and CFRA.

1 (c) PURCHASE PROCESS.—

2 (1) IN GENERAL.—The Secretary shall—

3 (A) solicit sealed bids for all of the lease-
4 holds;

5 (B) subject to paragraph (2), sell the
6 leaseholds to the bidder that submits the high-
7 est bid above the minimum bid determined
8 under paragraph (2); and

9 (C) only accept bids for all 265 leaseholds.

10 (2) MINIMUM BID.—Before accepting bids, the
11 Secretary, in consultation with interested bidders,
12 shall establish a minimum bid based on an appraisal
13 of the fair market value of the leaseholds, exclusive
14 of the value of private improvements made by the
15 leaseholders before the date of the conveyance by
16 means of an appraisal conducted in conformance
17 with the Uniform Standards of Professional Ap-
18 praisal Practice.

19 (3) RIGHT OF FIRST REFUSAL.—If the highest
20 bidder is other than CFRA, CFRA shall have the
21 right to match the highest bid and purchase the
22 leaseholds at a price equal to the amount of that
23 bid.

24 (d) TERMS OF CONVEYANCE.—

1 (1) PURCHASER TO EXTEND OPTION TO PUR-
2 CHASE OR TO CONTINUE LEASING.—

3 (A) IN GENERAL.—The Purchaser shall
4 give each leaseholder of record of a leasehold
5 conveyed under this section an option to pur-
6 chase the leasehold at fair market value as de-
7 termined in subsection (c)(2).

8 (B) NONPURCHASING LESSEES.—

9 (i) RIGHT TO CONTINUE LEASE.—A
10 Lessee that is unable or unwilling to pur-
11 chase a Property shall be permitted to con-
12 tinue to lease the Property for fair market
13 value rent under the same terms and con-
14 ditions as the existing leases, including the
15 right to renew the term of the existing
16 lease for 2 consecutive 5-year terms.

17 (ii) COMPENSATION FOR IMPROVE-
18 MENTS.—If a Lessee declines to purchase
19 a leasehold, the Purchaser shall com-
20 pensate the Lessee for the full market
21 value, as determined pursuant to cus-
22 tomary appraisal procedures, of all im-
23 provements made to the leasehold. The
24 Lessee may sell the improvements to Pur-
25 chaser at any time, but the sale shall be

1 completed by the final termination of the
2 lease, after all renewals as provided in
3 clause (i).

4 (2) HISTORICAL USE.—The Purchaser shall
5 honor the existing Property descriptions and histori-
6 cal use restrictions for the leaseholds.

7 (3) CONTINUATION OF LEASES.—

8 (A) IN GENERAL.—A Lessee that is unable
9 or unwilling to purchase a leasehold shall be
10 permitted to continue to lease the property pur-
11 suant to the terms and conditions of the lease,
12 existing on the date of enactment of this Act.

13 (B) RENTAL PAYMENTS.—All rents re-
14 ceived during the continuation of a lease under
15 subparagraph (A) shall be paid to the Pur-
16 chaser.

17 (C) LIMITATION ON RIGHT TO TRANSFER
18 LEASE.—Subject to valid existing rights, a Les-
19 see may not sell or otherwise assign or transfer
20 the leasehold without purchasing the property
21 from the Purchaser and conveying the fee inter-
22 est in the property.

23 (e) ADMINISTRATIVE COSTS.—Any reasonable ad-
24 ministrative cost incurred by the Secretary incident to the

1 conveyance under subsection (a) shall be reimbursed by
2 the Purchaser or CFRA.

3 (f) TIMING.—The Secretary shall make every effort
4 to complete the conveyance under subsection (a) not later
5 than 1 year after the date of enactment of this Act.

6 (g) CLOSING.—Real estate closings to complete the
7 conveyance under subsection (a) may be staggered to fa-
8 cilitate the conveyance as agreed to by the Secretary and
9 the Purchaser or CFRA.

10 (h) CONVEYANCE TO LESSEE.—Where the Lessee
11 will purchase the leasehold from Purchaser or CFRA, the
12 Lessee may request the Secretary to have the conveyance
13 documents prepared in the Lessee's name or names in
14 order to minimize the time and documents required to
15 complete the closing for each leasehold.

16 (i) COSTS.—The Lessee shall reimburse CFRA for a
17 proportionate share of the costs to CFRA in completing
18 the transactions contemplated by this Act, including any
19 interest charges.

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