

106TH CONGRESS
1ST SESSION

S. 1178

To direct the Secretary of the Interior to convey certain parcels of land acquired for the Blunt Reservoir and Pierre Canal features of the Oahe Irrigation Project, South Dakota, to the Commission of Schools and Public Lands of the State of South Dakota for the purpose of mitigating lost wildlife habitat, on the condition that the current preferential leaseholders shall have an option to purchase the parcels from the Commission, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 27, 1999

Mr. DASCHLE introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To direct the Secretary of the Interior to convey certain parcels of land acquired for the Blunt Reservoir and Pierre Canal features of the Oahe Irrigation Project, South Dakota, to the Commission of Schools and Public Lands of the State of South Dakota for the purpose of mitigating lost wildlife habitat, on the condition that the current preferential leaseholders shall have an option to purchase the parcels from the Commission, and for other purposes.

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 “Blunt Reservoir and
3 Pierre Canal Land Conveyance Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) under the Act of December 22, 1944 (com-
7 monly known as the “Flood Control Act of
8 1944”)(58 Stat. 887, chapter 665; 33 U.S.C. 701–
9 1 et seq.), Congress approved the Pick-Sloan Mis-
10 souri River Basin program—

11 (A) to promote the general economic devel-
12 opment of the United States;

13 (B) to provide for irrigation above Sioux
14 City, Iowa;

15 (C) to protect urban and rural areas from
16 devastating floods of the Missouri River; and

17 (D) for other purposes;

18 (2) the purpose of the Oahe Irrigation Project
19 was to meet the requirements of that Act by pro-
20 viding irrigation above Sioux City, Iowa;

21 (3) the principle features of the Oahe Irrigation
22 Project included—

23 (A) a system of main canals, including the
24 Pierre Canal, running east from the Oahe Res-
25 ervoir; and

1 (B) the establishment of regulating res-
2 ervoirs, including the Blunt Dam and Res-
3 ervoir, located approximately 35 miles east of
4 Pierre, South Dakota;

5 (4) land to establish the Pierre Canal and
6 Blunt Reservoir was purchased from willing sellers
7 between 1972 and 1977, when construction on the
8 Oahe Irrigation Project was halted;

9 (5) since 1978, the Commissioner of Reclama-
10 tion has administered the land—

11 (A) on a preferential lease basis to original
12 landowners or their descendants; and

13 (B) on a nonpreferential lease basis to
14 other persons;

15 (6) the 2 largest reservoirs created by the Pick-
16 Sloan Missouri River Basin Program, Lake Oahe
17 and Lake Sharpe, caused the loss of approximately
18 221,000 acres of fertile, wooded bottomland in
19 South Dakota that constituted some of the most
20 productive, unique, and irreplaceable wildlife habitat
21 in the State;

22 (7) the State of South Dakota has developed a
23 plan to meet the Federal obligation under the Fish
24 and Wildlife Coordination Act (16 U.S.C. 661 et
25 seq.) to mitigate the loss of wildlife habitat, the im-

plementation of which is authorized by section 602 of title VI of Public Law 105–277 (112 Stat. 2681–660); and

(8) it is in the interests of the United States and the State of South Dakota to—

(A) provide original landowners or their descendants with an opportunity to purchase back their land; and

(B) transfer the remaining land to the State of South Dakota to allow implementation of its habitat mitigation plan.

SEC. 3. BLUNT RESERVOIR AND PIERRE CANAL.

(a) DEFINITIONS.—In this section:

(1) BLUNT RESERVOIR FEATURE.—The term “Blunt Reservoir feature” means the Blunt Reservoir feature of the Oahe Irrigation Project authorized by section 9 of the Act of December 22, 1944 (58 Stat. 891, chapter 665), as part of the Pick-Sloan Missouri River Basin Program.

(2) COMMISSION.—The term “Commission” means the Commission of Schools and Public Lands of the State of South Dakota.

(3) NONPREFERENTIAL LEASE PARCEL.—The term “nonpreferential lease parcel” means a parcel of land that—

1 (A) was purchased by the Secretary for use
2 in connection with the Blunt Reservoir feature
3 or the Pierre Canal feature; and

4 (B) is under lease to a person other than
5 a preferential leaseholder as of the date of en-
6 actment of this Act.

7 (4) PIERRE CANAL FEATURE.—The term
8 “Pierre Canal feature” means the Pierre Canal fea-
9 ture of the Oahe Irrigation Project authorized by
10 section 9 of the Act of December 22, 1944 (58 Stat.
11 891, chapter 665), as part of the Pick-Sloan Mis-
12 souri River Basin Program.

13 (5) PREFERENTIAL LEASEHOLDER.—The term
14 “preferential leaseholder” means a leaseholder of a
15 parcel of land who is—

16 (A) the person from whom the Secretary
17 purchased the parcel for use in connection with
18 the Blunt Reservoir feature or the Pierre Canal
19 feature;

20 (B) the original operator of the parcel at
21 the time of acquisition; or

22 (C) a descendant of a person described in
23 subparagraph (A) or (B).

1 (6) PREFERENTIAL LEASE PARCEL.—The term
2 “preferential lease parcel” means a parcel of land
3 that—

4 (A) was purchased by the Secretary for use
5 in connection with the Blunt Reservoir feature
6 or the Pierre Canal feature; and

7 (B) is under lease to a preferential lease-
8 holder as of the date of enactment of this Act.

9 (7) SECRETARY.—The term “Secretary” means
10 the Secretary of the Interior, acting through the
11 Commissioner of Reclamation.

12 (8) UNLEASED PARCEL.—The term “unleased
13 parcel” means a parcel of land that—

14 (A) was purchased by the Secretary for use
15 in connection with the Blunt Reservoir feature
16 or the Pierre Canal feature; and

17 (B) is not under lease as of the date of en-
18 actment of this Act.

19 (b) DEAUTHORIZATION.—The Blunt Reservoir fea-
20 ture is deauthorized.

21 (c) CONVEYANCE.—The Secretary shall convey all of
22 the preferential lease parcels to the Commission, without
23 consideration, on the condition that the Commission honor
24 the purchase option provided to preferential leaseholders
25 under subsection (d).

1 (d) PURCHASE OPTION.—

2 (1) IN GENERAL.—A preferential leaseholder
3 shall have an option to purchase from the Commis-
4 sion the preferential lease parcel that is the subject
5 of the lease.

6 (2) TERMS.—

7 (A) IN GENERAL.—Except as provided in
8 subparagraph (B), a preferential leaseholder
9 may elect to purchase a parcel on 1 of the fol-
10 lowing terms:

11 (i) Cash purchase for the amount that
12 is equal to—

13 (I) the value of the parcel deter-
14 mined under paragraph (4); minus

15 (II) 10 percent of that value.

16 (ii) Installment purchase, with 20 per-
17 cent of the value of the parcel determined
18 under paragraph (4) to be paid on the date
19 of purchase and the remainder to be paid
20 over not more than 30 years at 3 percent
21 annual interest.

22 (B) VALUE UNDER \$10,000.—If the value
23 of the parcel is under \$10,000, the purchase
24 shall be made on a cash basis in accordance
25 with subparagraph (A)(i).

1 (3) OPTION EXERCISE PERIOD.—

2 (A) IN GENERAL.—A preferential lease-
 3 holder shall have until the date that is 10 years
 4 after the date of the conveyance under sub-
 5 section (c) to exercise the option under para-
 6 graph (1).

7 (B) CONTINUATION OF LEASES.—Until the
 8 date specified in subparagraph (A), a pref-
 9 erential leaseholder shall be entitled to continue
 10 to lease from the Commission the parcel leased
 11 by the preferential leaseholder under the same
 12 terms and conditions as under the lease, as in
 13 effect as of the date of conveyance.

14 (4) VALUATION.—

15 (A) IN GENERAL.—The value of a pref-
 16 erential lease parcel shall be determined to be,
 17 at the election of the preferential leaseholder—

18 (i) the amount that is equal to—

19 (I) the number of acres of the
 20 preferential lease parcel; multiplied by

21 (II) the amount of the per-acre
 22 assessment of adjacent parcels made
 23 by the Director of Equalization of the
 24 county in which the preferential lease
 25 parcel is situated; or

1 (ii) the amount of a valuation of the
 2 preferential lease parcel for agricultural
 3 use made by an independent appraiser.

4 (B) COST OF APPRAISAL.—If a preferential
 5 leaseholder elects to use the method of valu-
 6 ation described in subparagraph (A)(ii), the
 7 cost of the valuation shall be paid by the pref-
 8 erential leaseholder.

9 (5) CONVEYANCE TO THE STATE OF SOUTH DA-
 10 KOTA.—

11 (A) IN GENERAL.—If a preferential lease-
 12 holder fails to purchase a parcel within the pe-
 13 riod specified in paragraph (3)(A), the Commis-
 14 sion shall convey the parcel to the State of
 15 South Dakota Department of Game, Fish, and
 16 Parks.

17 (B) WILDLIFE HABITAT MITIGATION.—
 18 Land conveyed under subparagraph (A) shall be
 19 used by the South Dakota Department of
 20 Game, Fish, and Parks for the purpose of miti-
 21 gating the wildlife habitat that was lost as a re-
 22 sult of the development of the Pick-Sloan
 23 project.

24 (6) USE OF PROCEEDS.—Of the proceeds of
 25 sales of land under this subsection—

1 (A) not more than \$500,000 shall be used
2 to reimburse the Secretary for expenses in-
3 curred in implementing this Act;

4 (B) an amount not exceeding 10 percent of
5 the cost of each transaction conducted under
6 this Act shall be used to reimburse the Commis-
7 sion for expenses incurred implementing this
8 Act;

9 (C) \$3,095,000 shall be deposited in the
10 South Dakota Wildlife Habitat Mitigation
11 Trust Fund established by section 603 of divi-
12 sion C of Public Law 105–277 (112 Stat.
13 2681–663) for the purpose of paying property
14 taxes on land transferred to the State of South
15 Dakota;

16 (D) \$100,000 shall be provided to Hughes
17 County, South Dakota, for the purpose of sup-
18 porting public education;

19 (E) \$100,000 shall be provided to Sully
20 County, South Dakota, for the purpose of sup-
21 porting public education; and

22 (F) the remainder shall be used by the
23 Commission to support public schools in the
24 State of South Dakota.

1 (e) CONVEYANCE OF NONPREFERENTIAL LEASE
2 PARCELS AND UNLEASED PARCELS.—

3 (1) IN GENERAL.—The Secretary shall convey
4 to the South Dakota Department of Game, Fish,
5 and Parks the nonpreferential lease parcels and un-
6 leased parcels of the Blunt Reservoir and Pierre
7 Canal.

8 (2) WILDLIFE HABITAT MITIGATION.—Land
9 conveyed under paragraph (1) shall be used by the
10 South Dakota Department of Game, Fish, and
11 Parks for the purpose of mitigating the wildlife habi-
12 tat that was lost as a result of the development of
13 the Pick-Sloan project.

14 (f) LAND EXCHANGES FOR NONPREFERENTIAL
15 LEASE PARCELS AND UNLEASED PARCELS.—

16 (1) IN GENERAL.—With the concurrence of the
17 South Dakota Department of Game, Fish, and
18 Parks, the South Dakota Commission of Schools and
19 Public Lands may allow a person to exchange land
20 that the person owns elsewhere in the State of South
21 Dakota for a nonpreferential lease parcel or un-
22 leased parcel at Blunt Reservoir or Pierre Canal, as
23 the case may be.

1 (2) PRIORITY.—The right to exchange nonpref-
 2 erential lease parcels or unleased parcels shall be
 3 granted in the following order of priority:

4 (A) Exchanges with current lessees for
 5 nonpreferential lease parcels.

6 (B) Exchanges with adjoining and adjacent
 7 landowners for unleased parcels and nonpref-
 8 erential lease parcels not exchanged by current
 9 lessees.

10 (g) EASEMENT FOR IRRIGATION PIPE.—A pref-
 11 erential leaseholder that purchases land at Pierre Canal
 12 or exchanges land for land at Pierre Canal shall to allow
 13 the State of South Dakota to retain an easement on the
 14 land for an irrigation pipe.

15 (h) FUNDING OF THE SOUTH DAKOTA TERRESTRIAL
 16 WILDLIFE HABITAT RESTORATION TRUST FUND.—Sec-
 17 tion 603(b) of title VI of Public Law 105–277 (112 Stat.
 18 2681–663) is amended by striking “\$108,000,000” and
 19 inserting “\$111,095,000”.

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