

113TH CONGRESS  
2D SESSION

# H. R. 5742

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## AN ACT

To provide to the Secretary of the Interior a mechanism to cancel contracts for the sale of materials CA–20139 and CA–22901, 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 “Soledad Canyon Settle-  
3 ment Act”.

4 **SEC. 2. DEFINITIONS.**

5       In this Act:

6           (1) CITY OF SANTA CLARITA.—The term “City  
7 of Santa Clarita” means the City of Santa Clarita,  
8 California.

9           (2) CITY OF VICTORVILLE.—The term “City of  
10 Victorville” means the City of Victorville, California.

11           (3) CONTRACTS.—The term “contracts” means  
12 the Bureau of Land Management mineral contracts  
13 numbered CA–20139 and CA–22901.

14           (4) CONTRACT HOLDER.—The term “contract  
15 holder” means the private party to the contracts,  
16 and any successors that hold legal interests in the  
17 contracts.

18           (5) COUNTY OF SAN BERNARDINO.—The term  
19 “County of San Bernardino” means the County of  
20 San Bernardino, California.

21           (6) MAP.—The term “Map” means the map en-  
22 titled “Victorville disposal area, California” and  
23 dated March 2011.

24           (7) SECRETARY.—The term “Secretary” means  
25 the Secretary of the Interior.

1           (8) VICTORVILLE DISPOSAL AREA.—The term  
 2           “Victorville disposal area” means the 10,206.05  
 3           acres of land identified for disposal in the West Mo-  
 4           jave Land Management Plan (2006) of the Bureau  
 5           of Land Management and depicted on the Map.

6 **SEC. 3. APPRAISAL; COMPENSATION TO CONTRACT HOLD-**  
 7 **ER.**

8           (a) APPRAISALS.—

9           (1) CONTRACT APPRAISAL.—

10           (A) IN GENERAL.—Not later than 90 days  
 11           after the date of enactment of this Act, the Sec-  
 12           retary shall determine by mineral appraisal,  
 13           using the discounted cash flow method of ap-  
 14           praisal (in accordance with the appraisal guide-  
 15           lines for appraisals of large quantities of min-  
 16           eral materials contained in section IV(E) of  
 17           BLM Mineral Material Appraisal Handbook H-  
 18           3630)—

19                   (i) the fair market value of the con-  
 20                   tracts; and

21                   (ii) the amount of royalties the Fed-  
 22                   eral Government would receive under the  
 23                   contracts over the 10-year period begin-  
 24                   ning on the date of enactment of this Act.

1 (B) CONSIDERATIONS.—In making the de-  
2 termination under subparagraph (A), the Sec-  
3 retary shall assume that—

4 (i) the contract holder has obtained  
5 all the permits and entitlements necessary  
6 to mine, produce, and sell sand and gravel  
7 under the contract; and

8 (ii) mining operations under the con-  
9 tract have commenced at the time of the  
10 determination, with maximum annual pro-  
11 duction volumes that—

12 (I) are based on the projected  
13 supply and demand outlook at the  
14 time of determination; and

15 (II) reflect depletion of the re-  
16 serves that are subject to the contract  
17 within the effective periods of the con-  
18 tract.

19 (C) DONATION.—The Secretary shall pro-  
20 vide to the contract holder and the City of  
21 Santa Clarita a list of approved appraisers from  
22 which the parties shall select and provide the  
23 funding to cover the costs of the appraisal  
24 under subparagraph (A).

25 (2) LAND APPRAISAL.—

1 (A) IN GENERAL.—Not later than 90 days  
2 after the date of enactment of this Act, the Sec-  
3 retary shall determine by appraisal standards  
4 under existing laws and regulations, the fair  
5 market value of the Victorville disposal area on  
6 a net present value basis.

7 (B) DONATION.—The Secretary shall pro-  
8 vide to the contract holder and the City of  
9 Santa Clarita a list of approved appraisers from  
10 which the parties shall select and provide the  
11 funding to cover the costs of the appraisal  
12 under subparagraph (A).

13 (b) COMPENSATION.—

14 (1) IN GENERAL.—Subject to paragraph (2),  
15 not later than 30 days after completion of the ap-  
16 praisals under subsection (a), the Secretary shall  
17 offer the contract holder compensation for the can-  
18 cellation of the contracts.

19 (2) CONDITIONS ON OFFER.—An offer made by  
20 the Secretary under paragraph (1) shall be subject  
21 to the following conditions:

22 (A) The cancellation of the contracts and  
23 the provision of compensation shall be contin-  
24 gent on the availability of funds from the sale  
25 of the Victorville disposal area under section 4,

1 and any additional compensation provided  
2 under subparagraph (D), as determined nec-  
3 essary by the Secretary.

4 (B) The amount of compensation offered  
5 by the Secretary under this subsection shall be  
6 equal to or less than the fair market value of  
7 the contracts, as determined under subsection  
8 (a)(1)(A)(i).

9 (C) The amount of compensation offered  
10 by the Secretary under this subsection shall be  
11 equal to or less than the projected revenues  
12 generated by the sale of the Victorville disposal  
13 area under section 4, less the projected lost roy-  
14 alties to the Federal Government over the 10-  
15 year period beginning on the date of enactment  
16 of this Act, as determined under subsection  
17 (a)(1)(A)(ii).

18 (D) If the amount of projected revenues  
19 described in subparagraph (C) is less than the  
20 fair market value determined under subsection  
21 (a)(1)(A)(i), the Secretary shall, not later than  
22 60 days after the date on which the Director of  
23 the Bureau of Land Management determines  
24 the projected revenues under subparagraph (C),  
25 negotiate an agreement with the contract holder

and the City of Santa Clarita to provide to the Secretary amounts equal to the difference, in the form of—

(i) compensation to be received by the contract holder; and

(ii) compensation in a form acceptable to the Secretary to be provided by the City of Santa Clarita.

(3) ACCEPTANCE OF OFFER.—

(A) IN GENERAL.—The contract holder shall have 60 days from the later of the date on which the Secretary makes the offer under paragraph (1) or an agreement is negotiated under paragraph (2)(D) to accept the offer or agreement.

(B) FAILURE TO ACCEPT OFFER.—If the contract holder does not accept the offer under paragraph (1) or if an agreement is not negotiated under paragraph (2)(D) within the time period described in subparagraph (A), the contracts shall remain in effect and no further actions shall taken be taken pursuant to this Act.

**SEC. 4. SALE OF LAND NEAR VICTORVILLE, CALIFORNIA.**

(a) IN GENERAL.—Notwithstanding sections 202 and 203 of the Federal Land Policy and Management Act of

1 1976 (43 U.S.C. 1712, 1713) and subject to subsections  
2 (b) through (f), not later than 2 years after the date of  
3 enactment of this Act, the Secretary shall place on the  
4 market and offer for sale by competitive bidding and in  
5 a manner designed to obtain the highest price possible,  
6 all right, title, and interest of the United States in and  
7 to the Victorville disposal area.

8 (b) AVAILABILITY OF MAP.—The Secretary shall  
9 keep the Map on file and available for public inspection  
10 in—

11 (1) the office of the Director of the Bureau of  
12 Land Management; and

13 (2) the district office of the Bureau of Land  
14 Management located in Barstow, California.

15 (c) RIGHT OF LOCAL LAND USE AUTHORITY TO  
16 PURCHASE CERTAIN LAND.—

17 (1) IN GENERAL.—Before a sale of land under  
18 subsection (a), the Secretary shall provide to the ap-  
19 plicable local land use authority an exclusive pre-  
20 emptive right, as determined under State law, to  
21 purchase any right, title, or interest of the United  
22 States in and to any portion of the parcels of land  
23 identified as “Area A” and “Area B” on the Map  
24 that is located within the jurisdiction of the local  
25 land use authority.



1           (2) TIMING.—A preemptive right under para-  
2           graph (1) shall be in effect for a period of 30 days  
3           before the land is sold under subsection (a).

4           (3) AUTHORITY.—During the period described  
5           in paragraph (2), the local land use authority may  
6           purchase some or all of the right, title, and interest  
7           of the United States, as provided in subsection (a),  
8           in and to the land to be offered for sale at fair mar-  
9           ket value, as determined by an appraisal conducted  
10          by the Secretary.

11          (4) EXERCISING RIGHT.—If the local land use  
12          authority exercises the preemptive right under para-  
13          graph (1), the Secretary shall convey the land to the  
14          local land use authority immediately on payment by  
15          the local land use authority of the entire purchase  
16          price of the applicable parcel of land.

17          (5) FAILURE TO PAY.—Failure by the local  
18          land use authority to purchase and pay for the right,  
19          title, and interest of the United States in and to the  
20          land described in paragraph (1) within the time pe-  
21          riod described in paragraph (2) and to comply with  
22          any other terms and conditions as the Secretary may  
23          require shall terminate the preemptive right of the  
24          local land use authority with respect to the right,  
25          title, and interest offered for sale.

1 (d) WITHDRAWAL AND RESERVATION.—

2 (1) WITHDRAWAL.—Subject to valid existing  
3 rights, the land described in subsection (a) is with-  
4 drawn from—

5 (A) entry, appropriation, or disposal under  
6 the public land laws;

7 (B) location, entry, and patent under the  
8 mining laws; and

9 (C) operation of the mineral leasing, min-  
10 eral materials, and geothermal leasing laws.

11 (2) RESERVATION.—In any sale or other dis-  
12 posal of land under this section, there shall be re-  
13 served by the United States the right of the United  
14 States to prospect for, mine, and remove minerals  
15 from the conveyed land.

16 (e) CONSULTATION.—In addition to any consultation  
17 otherwise required by law, before initiating efforts to dis-  
18 pose of land under this section, the Secretary shall consult  
19 with the City of Victorville, the County of San Bernardino,  
20 and surface owners in the jurisdiction in which the land  
21 is located regarding the potential impact of the disposal  
22 and other appropriate aspects of the disposal.

23 (f) ACCOUNT.—The gross proceeds of a sale of land  
24 under subsection (a) shall be deposited in an account ac-

1 ceptable to the Secretary and available only for the pur-  
2 poses of carrying out this Act.

3 **SEC. 5. CANCELLATION OF CONTRACTS.**

4 (a) IN GENERAL.—On completion of the compensa-  
5 tion to the contract holder for the value of each contract  
6 in accordance with subsection (b), the Secretary shall can-  
7 cel the contracts and withdraw those areas that were sub-  
8 ject to the contracts from further mineral entry under all  
9 mineral leasing and sales authorities available to the Sec-  
10 retary.

11 (b) COMPENSATION; CANCELLATION; RETENTION OF  
12 FUNDS.—

13 (1) IN GENERAL.—Subject to paragraph (3),  
14 the Secretary shall provide to the contract holder the  
15 compensation agreed to under section 3(b) by dis-  
16 bursement of amounts from the account, in 4 equal  
17 payments, as funds are available;

18 (2) CANCELLATION.—

19 (A) CONTRACT CA-20139.—On completion  
20 of the first 2 payments to the contract holder  
21 under paragraph (1), the Secretary shall cancel  
22 contract CA-20139.

23 (B) CONTRACT CA-22901.—On completion  
24 of the remaining 2 payments to the contract

1 holder under paragraph (1), the Secretary shall  
2 cancel contract CA-22901.

3 (3) RETENTION OF FUNDS.—The Secretary  
4 shall retain sufficient funds to cover the projected  
5 lost royalties determined under section  
6 3(a)(1)(A)(ii).

7 (c) RELEASE AND WAIVER.—Upon acceptance and  
8 receipt of compensation under subsection (b), the contract  
9 holder shall waive all claims against the United States  
10 arising out of, or relating to, the cancellation of the con-  
11 tracts.

Passed the House of Representatives December 11,  
2014.

Attest:

*Clerk.*



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