

Union Calendar No. 816

115TH CONGRESS
2^D SESSION

H. R. 4731

[Report No. 115–1049]

To extend the retained use estate for the Caneel Bay resort in St. John,
United States Virgin Islands, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21, 2017

Ms. PLASKETT introduced the following bill; which was referred to the
Committee on Natural Resources

NOVEMBER 27, 2018

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 *italic*]

[For text of introduced bill, see copy of bill as introduced on December 21, 2017]

A BILL

To extend the retained use estate for the Caneel Bay resort in St. John, United States Virgin Islands, 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,*

3 **SECTION 1. EXTENSION OF RETAINED USE ESTATE.**

4 *(a) EXTENSION REQUIRED.—Not later than 90 days*
 5 *after a request by the grantor, the Secretary of the Interior*
 6 *shall extend the retained use estate in accordance with this*
 7 *section.*

8 *(b) REQUIREMENTS.—The extension under subsection*
 9 *(a) shall—*

10 *(1) except as provided in paragraph (2), be effec-*
 11 *tive for the 60-year period beginning on the date the*
 12 *retained use estate would, but for the extension under*
 13 *this section, expire;*

14 *(2) be subject to the terms of the retained use es-*
 15 *tate, including the right of the grantor to terminate*
 16 *the retained use estate in accordance with the terms*
 17 *thereof; and*

18 *(3) require the grantor to pay to the United*
 19 *States, in quarterly installments for the period of the*
 20 *extension, fair market value rental for use of the*
 21 *premises for operation and management of resort fa-*
 22 *cilities and services in an amount equal to—*

23 *(A) for each of the first 15 years of the ex-*
 24 *tension, a percentage of the gross revenues of the*
 25 *resort in accordance with subsections (c) and (d)*

1 *to be determined no later than 90 days after the*
2 *date on which the extension is granted under*
3 *subsection (a) by—*

4 *(i) a written agreement between the*
5 *Secretary and the grantor; or*

6 *(ii) if the Secretary and the grantor*
7 *are unable to agree on such a percentage by*
8 *the date that the extension is granted under*
9 *subsection (a), through binding arbitration*
10 *using procedures specified in section 51.51*
11 *of title 36, Code of Federal Regulations; and*

12 *(B) for each year of the extension thereafter,*
13 *the amount determined under subparagraph (A),*
14 *except that—*

15 *(i) such amount shall be adjusted if re-*
16 *quested by the Secretary or the grantor;*

17 *(ii) any such adjustment shall be deter-*
18 *mined—*

19 *(I) through a written agreement*
20 *between the Secretary and the grantor;*
21 *or*

22 *(II) if the Secretary and the*
23 *grantor are unable to agree on such an*
24 *adjustment after a 60-day period for*
25 *negotiation (or a longer period for ne-*

1 *gotiation agreed upon by the Secretary*
2 *and the grantor), through binding ar-*
3 *bitration between the Secretary and the*
4 *grantor using the arbitration proce-*
5 *dures specified in section 51.51 of title*
6 *36, Code of Federal Regulations; and*
7 *(iii) no more than one adjustment may*
8 *be made under this subparagraph in any*
9 *15-year period.*

10 *(c) CALCULATION OF FAIR MARKET VALUE RENTAL.—*

11 *The initial payment required under subsection (b)(3)(A)*
12 *and any adjustment under subsection (b)(3)(B) shall reflect*
13 *the fair market value of a land lease for hotel use, as deter-*
14 *mined by an appraisal by an independent qualified ap-*
15 *praiser who is selected jointly by the Secretary and the*
16 *grantor and shall reflect—*

17 *(1) any restrictions on the use of the property or*
18 *terms of the retained use estate that limit the value*
19 *or highest and best use of the property;*

20 *(2) any amounts expended or to be expended by*
21 *the grantor for preservation, maintenance, restoration*
22 *(including site restoration), improvement (including*
23 *construction), or repair and related expenses to the*
24 *extent that such amounts are for the resort; and*

1 (3) *the remaining term of the extended retained*
 2 *use estate.*

3 (d) *PAYMENTS.—Payments under subsection (b)(3)*
 4 *shall—*

5 (1) *be due—*

6 (A) *except as provided in subparagraph*
 7 *(B), 60 days after the end of the applicable quar-*
 8 *ter; and*

9 (B) *in the case of the last quarter of each*
 10 *calendar year (or the last quarter before the re-*
 11 *tained use estate expires), 90 days after the end*
 12 *of the calendar year (or the end of the retained*
 13 *use estate in the year that the retained use estate*
 14 *expires);*

15 (2) *be based on actual gross revenues for the pre-*
 16 *ceding quarter;*

17 (3) *in the case of a payment due under para-*
 18 *graph (1)(B), include any adjustment that may be re-*
 19 *quired after an audit of the gross annual revenues for*
 20 *the preceding year; and*

21 (4) *be deposited into the General Treasury.*

22 (e) *DEFINITIONS.—In this section—*

23 (1) *each of the terms “retained use estate” and*
 24 *“resort” has the meaning given such term in section*
 25 *1 of Public Law 111–261 (16 U.S.C. 398d note); and*

- 1 (2) *the term “grantor” means the holder of the*
- 2 *retained use estate.*

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