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KEWEENAW BAY INDIAN COMMUNITY LAND CLAIM SETTLEMENT ACT OF 2025

SEPTEMBER 29, 2025.—Ordered to be printed

Ms. MURKOWSKI, from the Committee on Indian Affairs,
submitted the following

R E P O R T

[To accompany S. 642]

[Including cost estimate of the Congressional Budget Office]

The Committee on Indian Affairs, to which was referred the bill, (S. 642) to provide compensation to the Keweenaw Bay Indian Community for the taking without just compensation of land by the United States inside the exterior boundaries of the L'Anse Indian Reservation that were guaranteed to the Community under a treaty signed in 1854, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill, do pass.

PURPOSE

S. 642 would acknowledge the uncompensated taking of Keweenaw Bay Indian Community (KBIC or Tribe) lands by the federal government, provide compensation for the taking of those lands, and extinguish all KBIC claims to those lands in exchange for the provided compensation.

BACKGROUND AND NEED

KBIC is a federally recognized Indian Tribe with a reservation primarily comprised of two non-contiguous tracts within Baraga County in Michigan. The Tribe is the successor in interest to two treaties with the United States guaranteeing rights of use and occupancy of certain Michigan lands in the Keweenaw Bay area in

1842¹ and creating a permanent reservation known as the L’Anse Indian Reservation in 1854.² Both treaties remain in full force and effect.

Between 1893 and 1937, in carrying out the *Swamp Land Act of 1850*,³ the U.S. Government Land Office patented approximately 2,743 acres from the KBIC’s reservation to the State of Michigan without compensation to the Tribe and in violation of the 1842 and 1854 treaties.

Separately, under the *Canal Land Act of 1850*,⁴ the U.S. Department of the Interior (DOI) transferred between 1,333.25 and 2,720 acres of the Tribe’s reservation to the State of Michigan to defray the state’s cost of constructing the Sault Ste. Marie Canal, again without any compensation to the Tribe and in violation of the 1842 and 1854 treaties. In a December 2021 letter opinion, the DOI determined that the Tribe’s takings claims to the Swamp and Canal lands have merit.⁵

Non-Indian individuals, entities, and local governments acquired the former Swamp and Canal lands in good faith and have a vested interest in possessing clear title. The Tribe has stated they do not seek ownership of those lands. Through a multi-year effort, the KBIC worked with neighboring local governments, the State of Michigan, the DOI, and its Congressional delegation to develop a resolution of their claims with the affected parties, as outlined, in the bill.

SUMMARY

S. 642 authorizes \$33,900,000 to be transferred to the Tribe in settlement for the uncompensated taking of their lands and authorizes the use of such funds for any legal purpose except for the purchase of land for gaming purposes. S. 642 also extinguishes all of the Tribe’s claims to the previously taken lands and clears title to those lands for the current landowners.

LEGISLATIVE HISTORY

S. 642 was introduced by Senators Peters and Slotkin on January February 19, 2025.

In the 118th Congress, an identical bill, S. 195, was introduced by Senators Peters and Stabenow on January 31, 2023. The Committee held a hearing on S. 195 on May 3, 2023. (S. Hrg. 118–105). On July 19, 2023, the Committee held a business meeting to consider S. 195 and ordered the bill to be reported favorably, without amendment. (S. Rept. No. 118–129). S. 195 passed the Senate without amendment by unanimous consent on December 19, 2023.

H.R. 650, an identical companion bill, was introduced by Representative Jack Bergman (R–MI) in the House of Representatives on January 31, 2023. The bill was referred to the Committee on Natural Resources.

¹Treaty with the Chippewa at La Pointe, Oct. 4, 1842, 7 Stat. 591.

²Treaty with the Chippewa at La Pointe, Sept. 30, 1854, 10 Stat. 1109.

³Act of September 28, 1850, Ch. 84, 9 Stat. 519.

⁴Act of August 26, 1852, Ch. 92, 10 Stat. 35.

⁵Letter from Assistant Secretary Bryan Newland to KBIC President Warren Swartz, Jr. (December 10, 2021) (on file with Committee).

COMMITTEE RECOMMENDATION

The Senate Committee on Indian Affairs in an open business meeting on March 5, 2025, by a majority voice vote of a quorum present, recommends that the Senate pass S. 642, without amendment.

SECTION-BY-SECTION ANALYSIS

Section 1—Short title

This section provides the short title of S. 642 as the “Keweenaw Bay Indian Community Land Claim Settlement Act of 2025.”

Section 2—Findings

This section sets forth Congressional findings.

Section 3—Purposes

This section establishes the purposes of this Act are to—

- acknowledge the uncompensated taking of Tribe’s Reservation Swamp Lands and Reservation Canal Lands by the federal government;
- provide compensation to the Tribe for the taking of those lands;
- extinguish all Tribal claims to the Reservation Swamp Lands and Reservation Canal Lands and confirm the current ownership of those lands were obtained in good faith;
- extinguish all potential land claims by the Tribe against the United States, the State of Michigan, and current land-owners; and
- authorize the Secretary of the Interior to compensate the Tribe and take any other necessary actions in order to carry out this Act.

Section 4—Definitions

This section sets forth the definitions of “Community”, “County”, “Reservation”, “Reservation Canal Lands”, “Reservation Swamp Lands”, “Secretary”, and “State” that are used in this Act.

Section 5—Payments

Section 5(a) directs the Secretary to transfer \$33,900,000 to the Tribe, as soon as practicable, after the funds are authorized to be appropriated and made available.

Section 5(b) authorizes the use of appropriated funds for any lawful purpose, including, governmental services, economic development, natural resources protection, and land acquisition; and prohibits the use of funds received in this subsection to acquire land for gaming purposes.

Section 5(c) authorizes \$33,900,000 in appropriations to the Secretary of the Interior to carry out subsection (a) for fiscal year 2026 and the funds are to remain available under expended.

Section 6—Extinguishment of claims

Section 6(a) extinguishes all of the Tribes’ claims to lands owned by persons or entities other than KBIC that were transferred under the *Swamp Lands Act* and the *Canal Lands Act*, in exchange for compensation provided by this Act and becomes effective on the

date on which the Tribe receives such payment pursuant to section 5(a).

Section 6(b) clears title of all pre-existing Tribal rights to lands of current owners to the Reservation Swamp Lands and Reservation Canal Lands, effective on the date on which KBIC receives payment pursuant to section 5(a).

Section 7—Effect

This section clarifies that the bill does not authorize: (1) the Secretary of the Interior to take land into trust for the benefit of the Tribe for gaming purposes, or (2) the Tribe to use funds received in this Act to acquire land for gaming purposes.

COST AND BUDGETARY CONSIDERATIONS

S. 642, Keweenaw Bay Indian Community Land Claim Settlement Act of 2025				
As ordered reported by the Senate Committee on Indian Affairs on March 5, 2025				
By Fiscal Year, Millions of Dollars		2025	2025-2030	2025-2035
Direct Spending (Outlays)		0	0	0
Revenues		0	0	0
Increase or Decrease (-) in the Deficit		0	0	0
Spending Subject to Appropriation (Outlays)		0	34	34
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?		No
		Mandate Effects		
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Contains intergovernmental mandate?		Yes, Under Threshold
		Contains private-sector mandate?		No

S. 642 would authorize the appropriation of \$34 million in fiscal year 2026 for the Keweenaw Bay Indian Community as compensation for the loss of land under the Swamp Land Act of 1850 and the Canal Land Act of 1852. The funds could be used by the tribe for any lawful purpose, including governmental services, economic development, natural resources protection, and land acquisition for purposes other than gaming. For this estimate, CBO assumes that the Congress will appropriate the specified amount in fiscal year 2026.

S. 642 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The cost of the mandates would not exceed the annual threshold established in that act (\$103 million in 2025, adjusted annually for inflation).

The bill would extinguish claims of the Keweenaw Bay Indian Community against owners of the Reservation Swamp Lands and the Reservation Canal Lands. Eliminating an existing right of action is a mandate because the right to seek redress and recover damages beyond what is provided in the bill would be lost. Based on information from the tribe, CBO expects it is unlikely that the tribe would pursue such claims. Therefore, CBO estimates that the cost, if any, of the mandate would be small.

The bill would prohibit gambling on tribal land obtained by the Keweenaw Bay Indian Community with funds from the settlement awarded under the bill. Because gaming on such land is currently allowed under federal law, the proposed ban would be a mandate. However, because the tribe has no plan to use settlement funds to obtain land for gaming purposes, the cost of the mandate would be small.

The bill contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Julia Aman (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

REGULATORY AND PAPERWORK IMPACT STATEMENT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires each report accompanying a bill to evaluate the that would be incurred in carrying out the bill. The Committee believes that S. 642, as reported, will have minimal impact on regulatory or paperwork requirements.

EXECUTIVE TESTIMONY AND COMMUNICATIONS

The testimony provided by the U.S. Department of the Interior from the May 3, 2023, hearing on S. 195 follows:

STATEMENT OF BRYAN NEWLAND, ASSISTANT SECRETARY FOR INDIAN AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR

S. 195, KEWEENAW BAY INDIAN COMMUNITY LAND CLAIM SETTLEMENT ACT OF 2023

Chairman Schatz, Vice Chairman Murkowski, and members of the Committee. My name is Bryan Newland, and I am the Assistant Secretary for Indian Affairs at the U.S. Department of the Interior (Department).

Thank you for the opportunity to present the Department's views on S. 195, Keweenaw Bay Indian Community Land Claim Settlement Act of 2023, S. 382, Puyallup Tribe of Indians Land into Trust Confirmation Act of 2023, and S. __, Unlocking Native Lands and Opportunities for Commerce and Key Economic Developments Act of 2023.

S. 195 would settle the Keweenaw Bay Indian Community's (KBIC) claims to certain lands within the exterior boundaries of the L'Anse Indian Reservation in Michigan. Specifically, the bill authorizes the Secretary of the Interior (Secretary) to provide monetary compensation to the KBIC for certain lands while extinguishing any claims by the KBIC to those lands to provide title certainty to current owners. The bill's findings and purpose sections provide key details on the claims by the KBIC and process by which the lands were transferred.

As detailed in the finding section of S. 195, the KBIC was wrongfully dispossessed of lands reserved in the 1842 Treaty of La Pointe and 1854 Treaty of La Pointe that

were subsequently conveyed to the State of Michigan under the Swamp Land Act of 1850 and the Canal Land Act of 1852. The KBIC lost 2,743 acres of land under the Swamp Land Act and between 1,333.25 to 2,720 acres of land under the Canal Land Act. The loss of this land has negatively impacted the ability of KBIC to exercise cultural, religious, and subsistence rights on the land as well as prevented economic growth.

S. 195 authorizes the appropriation of \$33.9 million to the Secretary to transfer to the KBIC as compensation for the loss of the lands under the Swamp Land Act of 1850 and the Canal Land Act of 1852. The funds may be used by the KBIC for any lawful purpose including governmental services, economic development, natural resources protection, and land acquisition, but restricts the funds from being used to acquire land for gaming purposes.

The bill reflects the Department's understanding that the KBIC does not wish to reassert authority over the lands. S. 195 specifies that when the KBIC receives the monetary compensation, all claims by the KBIC to the lands lost under the Swamp Land Act of 1850 and the Canal Land Act of 1852 are extinguished and the title of current owners of those lands are cleared of all preexisting rights held by the KBIC or any KBIC members.

The Department applauds the Tribe's cooperative approach toward a meaningful resolution to their claims and supports S. 195.

CHANGES IN EXISTING LAW

In accordance with subsection 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill as ordered reported.

