

The committee amendment in the nature of a substitute was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 486), as amended, was read the third time and passed.

RIVER RAISIN NATIONAL BATTLEFIELD STUDY ACT

The bill (H.R. 5132), to direct the Secretary of the Interior to conduct a special resource study to determine the suitability and feasibility of including in the National Park System certain sites in Monroe County, Michigan, relating to the Battles of the River Raisin during the War of 1812, was considered, ordered to a third reading, read the third time, and passed.

CAPTAIN JOHN SMITH CHESAPEAKE NATIONAL HISTORIC TRAIL DESIGNATION ACT

The bill (H.R. 5466) to amend the National Trails System Act to designate the Captain John Smith Chesapeake National Historic Trail, was considered, ordered to a third reading, read the third time, and passed.

BLUNT RESERVOIR AND PIERRE CANAL LAND CONVEYANCE ACT OF 2006

The Senate proceeded to consider the bill (S. 2205) to direct the Secretary of the Interior to convey certain parcels of land acquired for the Blunt Reservoir and Pierre Canal features of the initial stage of the Oahe Unit, James Division, South Dakota, to the Commission of Schools and Public Lands and the Department of Game, Fish, and Parks 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.

The amendment (No. 5229) was agreed to, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Blunt Reservoir and Pierre Canal Land Conveyance Act of 2006".

SEC. 2. 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 Unit, James Division, authorized by the Act of August 3, 1968 (82 Stat. 624), 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.

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

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

(B) was considered to be a nonpreferential lease parcel by the Secretary as of January

1, 2001, and is reflected as such on the roster of leases of the Bureau of Reclamation for 2001.

(4) **PIERRE CANAL FEATURE.**—The term "Pierre Canal feature" means the Pierre Canal feature of the Oahe Unit, James Division, authorized by the Act of August 3, 1968 (82 Stat. 624), as part of the Pick-Sloan Missouri River Basin program.

(5) **PREFERENTIAL LEASEHOLDER.**—The term "preferential leaseholder" means a person or descendant of a person that held a lease on a preferential lease parcel as of January 1, 2001, and is reflected as such on the roster of leases of the Bureau of Reclamation for 2001.

(6) **PREFERENTIAL LEASE PARCEL.**—The term "preferential lease parcel" means a parcel of land that—

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

(B) was considered to be a preferential lease parcel by the Secretary as of January 1, 2001, and is reflected as such on the roster of leases of the Bureau of Reclamation for 2001.

(7) **SECRETARY.**—The term "Secretary" means the Secretary of the Interior, acting through the Commissioner of Reclamation.

(8) **STATE.**—The term "State" means the State of South Dakota, including a successor in interest of the State.

(9) **UNLEASED PARCEL.**—The term "unleased parcel" means a parcel of land that—

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

(B) is not under lease as of the date of enactment of this Act.

(b) **DEAUTHORIZATION.**—The Blunt Reservoir feature is deauthorized.

(c) **ACCEPTANCE OF LAND AND OBLIGATIONS.**—

(1) **IN GENERAL.**—As a term of each conveyance under subsections (d)(5) and (e), respectively, the State may agree to accept—

(A) in "as is" condition, the portions of the Blunt Reservoir Feature and the Pierre Canal Feature that pass into State ownership;

(B) any liability accruing after the date of conveyance as a result of the ownership, operation, or maintenance of the features referred to in subparagraph (A), including liability associated with certain outstanding obligations associated with expired easements, or any other right granted in, on, over, or across either feature; and

(C) the responsibility that the Commission will act as the agent for the Secretary in administering the purchase option extended to preferential leaseholders under subsection (d).

(2) **RESPONSIBILITIES OF THE STATE.**—An outstanding obligation described in paragraph (1)(B) shall inure to the benefit of, and be binding upon, the State.

(3) **OIL, GAS, MINERAL AND OTHER OUTSTANDING RIGHTS.**—A conveyance to the State under subsection (d)(5) or (e) or a sale to a preferential leaseholder under subsection (d) shall be made subject to—

(A) oil, gas, and other mineral rights reserved of record, as of the date of enactment of this Act, by or in favor of a third party; and

(B) any permit, license, lease, right-of-use, or right-of-way of record in, on, over, or across a feature referred to in paragraph (1)(A) that is outstanding as to a third party as of the date of enactment of this Act.

(4) **ADDITIONAL CONDITIONS OF CONVEYANCE TO STATE.**—A conveyance to the State under subsection (d)(5) or (e) shall be subject to the reservations by the United States and the conditions specified in section 1 of the Act of May 19, 1948 (chapter 310; 62 Stat. 240), as amended (16 U.S.C. 667b), for the transfer of

property to State agencies for wildlife conservation purposes.

(d) **PURCHASE OPTION.**—

(1) **IN GENERAL.**—A preferential leaseholder shall have an option to purchase from the Secretary or the Commission, acting as an agent for the Secretary, the preferential lease parcel that is the subject of the lease.

(2) **TERMS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), a preferential leaseholder may elect to purchase a parcel on one of the following terms:

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

(I) the value of the parcel determined under paragraph (4); minus

(II) ten percent of that value.

(ii) Installment purchase, with 10 percent of the value of the parcel determined under paragraph (4) to be paid on the date of purchase and the remainder to be paid over not more than 30 years at 3 percent annual interest.

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

(3) **OPTION EXERCISE PERIOD.**—

(A) **IN GENERAL.**—A preferential leaseholder shall have until the date that is 5 years after enactment of this Act to exercise the option under paragraph (1).

(B) **CONTINUATION OF LEASES.**—Until the date specified in subparagraph (A), a preferential leaseholder shall be entitled to continue to lease from the Secretary the parcel leased by the preferential leaseholder under the same terms and conditions as under the lease, as in effect as of the date of enactment of this Act.

(4) **VALUATION.**—

(A) **IN GENERAL.**—The value of a preferential lease parcel shall be its fair market value for agricultural purposes determined by an independent appraisal less 25 percent, exclusive of the value of private improvements made by the leaseholders while the land was federally owned before the date of the enactment of this Act, in conformance with the Uniform Appraisal Standards for Federal Land Acquisition.

(B) **FAIR MARKET VALUE.**—Any dispute over the fair market value of a property under subparagraph (A) shall be resolved in accordance with section 2201.4 of title 43, Code of Federal Regulations.

(5) **CONVEYANCE TO THE STATE.**—

(A) **IN GENERAL.**—If a preferential leaseholder fails to purchase a parcel within the period specified in paragraph (3)(A), the Secretary shall offer to convey the parcel to the State of South Dakota Department of Game, Fish, and Parks.

(B) **WILDLIFE HABITAT MITIGATION.**—Land conveyed under subparagraph (A) shall be used by the South Dakota Department of Game, Fish, and Parks for the purpose of mitigating the wildlife habitat that was lost as a result of the development of the Pick-Sloan project.

(6) **USE OF PROCEEDS.**—Proceeds of sales of land under this Act shall be deposited as miscellaneous funds in the Treasury and such funds shall be made available, subject to appropriations, to the State for the establishment of a trust fund to pay the county taxes on the lands received by the State Department of Game, Fish, and Parks under the bill.

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

(1) **CONVEYANCE BY SECRETARY TO STATE.**—

(A) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary shall offer to convey to the South Dakota Department of Game, Fish, and Parks the nonpreferential lease parcels and