

108TH CONGRESS  
1ST SESSION

# H. R. 2869

To direct the Secretary of the Interior to sell certain public lands subject to mining operations in Eureka, Lander, White Pine, Elko, and Humboldt Counties, Nevada, for the reclamation of abandoned mines in Nevada, to promote and enhance economic development, education, and local government revenues, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2003

Mr. GIBBONS introduced the following bill; which was referred to the  
Committee on Resources

---

## A BILL

To direct the Secretary of the Interior to sell certain public lands subject to mining operations in Eureka, Lander, White Pine, Elko, and Humboldt Counties, Nevada, for the reclamation of abandoned mines in Nevada, to promote and enhance economic development, education, and local government revenues, 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. SHORT TITLE.**

4       This Act may be cited as the “Northern Nevada  
5 Rural Economic Development and Land Consolidation Act  
6 of 2003”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress finds as follows:

3 (1) The economy of Nevada is dependent upon  
4 mining as a major source of high-paying jobs and  
5 other economic benefits.

6 (2) Fifteen percent of employment in Eureka,  
7 Lander, White Pine, Elko, and Humboldt Counties  
8 in Nevada is directly provided by mining corpora-  
9 tions, while nearly 50 percent of employment in  
10 those counties is a direct result of the mining indus-  
11 try.

12 (3) Citizens of northern Nevada counties would  
13 benefit through enhanced county services and  
14 schools from the increased private property tax base  
15 that would result from private ownership of the pub-  
16 lic land subject to mining operations.

17 (4) The Federal Government owns approxi-  
18 mately 81 percent of the total area of Eureka, Land-  
19 er, White Pine, Elko, and Humboldt Counties in Ne-  
20 vada, and many mining operations in those counties  
21 are conducted on public lands subject to mining or  
22 mill site claims located and maintained under the  
23 general mining laws.

24 (5) The general mining laws have historically  
25 allowed mining claimants to receive patents to their  
26 claims from the United States, and the public land

1 laws authorize land exchanges and direct sales as  
2 methods for mining companies to obtain security of  
3 tenure for their operations.

4 (6) However, since 1994, Congress has placed  
5 moratoria on further processing of patent applica-  
6 tions under the general mining laws, except for cer-  
7 tain patent applications that were pending at the  
8 time of the first moratorium.

9 (7) There is a severe backlog of land exchange  
10 and direct sale petitions in Nevada that has made it  
11 impossible for Nevada mine operators to obtain title  
12 in a timely manner to land subject to mining claims  
13 and mill site claims on which they conduct their op-  
14 erations.

15 (8) These circumstances have made it impos-  
16 sible for two mining companies to achieve security of  
17 tenure in a reasonable time frame, creating economic  
18 uncertainty and disadvantages not only for these  
19 companies but also for Nevada local governments  
20 and Nevada citizens who benefit from the taxes paid  
21 and jobs provided by these and other companies, and  
22 from their long term commitment to continue oper-  
23 ating and to further mineral exploration in Nevada.

24 (9) The public lands addressed in this Act are  
25 difficult and uneconomic for the Bureau of Land

1 Management to manage and disposal of such lands  
2 will serve important public objectives, including eco-  
3 nomic development and the maintenance of a long  
4 term tax base for northern Nevada counties.

5 (10) The Bureau of Land Management has de-  
6 termined that the public lands addressed in this Act  
7 are suitable for consolidation of ownership or dis-  
8 posal into private ownership and the environmental,  
9 cultural, social, and economic impacts of mining op-  
10 erations on the public lands subject to this Act have  
11 been evaluated in numerous studies conducted under  
12 the National Environmental Policy Act of 1969, the  
13 National Historic Preservation Act, and other laws.

14 (11) The sale of the public lands would gen-  
15 erate significant income to provide funds to complete  
16 rehabilitation of lands in the State of Nevada that  
17 were subject to mining activities conducted many  
18 decades ago.

19 (12) Mining operations conducted on public  
20 lands sold under this Act would remain subject to  
21 applicable Federal and State environmental and  
22 safety laws.

23 (13) These lands would be sold for market  
24 value, including a royalty on future production of  
25 minerals.

1 (b) PURPOSES.—The purposes of this Act are—

2 (1) to provide for the orderly and expeditious  
3 consolidation and disposal of certain public lands in  
4 Eureka, Lander, White Pine, Elko, and Humboldt  
5 Counties, Nevada;

6 (2) to provide funds for rehabilitation of lands  
7 in Nevada that were subject to historic mining ac-  
8 tivities; and

9 (3) to provide funds for education and other  
10 purposes in the State of Nevada.

11 **SEC. 3. DEFINITIONS.**

12 In this Act:

13 (1) CLAIMANT.—The term “Claimant” means  
14 Placer Dome U.S. Inc., any affiliate designated by  
15 Placer Dome U.S. Inc., or any successor; and  
16 Graymont Western U.S. Inc, and any affiliate des-  
17 ignated by Graymont Western U.S. Inc, or any suc-  
18 cessor.

19 (2) COUNTIES.—The term “Counties” means  
20 the Nevada counties of Eureka, Lander, White Pine,  
21 Elko, and Humboldt, all located in the State of Ne-  
22 vada.

23 (3) DEPARTMENT.—The term “Department”  
24 means the Department of the Interior.

1           (4) MINING LAW.—The term “the general min-  
2           ing laws” includes, in general, chapters 2 and 12A,  
3           and 16, sections 161 and 162, of title 30, U.S.C.

4           (5) SECRETARY.—The term “Secretary” means  
5           the Secretary of the Interior.

6 **SEC. 4. DISPOSAL OF LAND.**

7           (a) DISPOSAL.—

8           (1) IN GENERAL.—The Claimant shall have the  
9           right during the one year period commencing on the  
10          date of enactment of this Act to submit one or more  
11          applications to the Secretary to acquire all or any  
12          portion of the public lands depicted as “Selected  
13          Lands” on the maps identified in clauses (i) through  
14          (ii) of subsection (b)(1)(A). As soon as practicable  
15          after receipt of each such application, the Federal  
16          Land Policy and Management Act of 1976 (43  
17          U.S.C. 1701 et seq.) or any other law or executive  
18          order, except as specifically provided in this Act,  
19          subject to the acceptance by the Claimant and the  
20          Secretary of the appraisal and determinations to be  
21          made in accordance with paragraphs (2) and (3),  
22          the Secretary shall dispose of each parcel of public  
23          land, including minerals, described in subsection  
24          (b)(1)(A) by direct sale to the Claimant. The proce-  
25          dures in section 206(d) of the Federal Land Policy

1 and Management Act (43 U.S.C. 1716(d)) shall  
2 apply to the appraisal and determinations made pur-  
3 suant to this paragraph.

4 (2) MARKET VALUE.—

5 (A) VALUE OF LAND.—The value of the  
6 public lands to be conveyed to Claimant and  
7 any private lands conveyed to the United States  
8 pursuant to this Act shall be the market value  
9 of the present interest of the grantor, as deter-  
10 mined by the Secretary in accordance with an  
11 appraisal that complies with the Uniform Ap-  
12 praisal Standards for Federal Land Acquisi-  
13 tions and the relevant valuation provisions of  
14 the Federal Land Policy Management Act of  
15 1976 (43 U.S.C. 1701 et seq.). Such appraisal  
16 shall be conducted by a qualified professional  
17 appraiser certified by the Appraiser Qualifica-  
18 tions Board of the Appraisal Foundation.

19 (B) VALUE OF MINERALS.—

20 (i) The value of locatable minerals in  
21 public lands to be conveyed to the Claim-  
22 ant that are subject to unpatented mining  
23 claims for which the Claimant dem-  
24 onstrates the discovery of a valuable min-  
25 eral deposit shall not be considered in the

1 appraisal or included in the market value  
2 of the grantor's interest in these lands, as  
3 ownership and the right to develop these  
4 minerals are already vested in the Claim-  
5 ant. In determining whether the Claimant  
6 has demonstrated the existence of a dis-  
7 covery of a valuable mineral deposit, the  
8 Secretary shall apply the principles of the  
9 general mining laws, but shall not be re-  
10 quired to conduct a formal validity exam-  
11 ination.

12 (ii) Because it would be difficult to  
13 determine accurately the value of locatable  
14 minerals in lands to be conveyed to the  
15 Claimant that are subject to unpatented  
16 mining or mill site claims for which the  
17 Claimant does not demonstrate the dis-  
18 covery of a valuable mineral deposit, the  
19 present value of such minerals will not be  
20 considered in the appraisal or included in  
21 the market value of these lands. The  
22 United States shall be compensated for the  
23 value of any such minerals as provided in  
24 paragraph (3).

1           (3) ROYALTIES.—There shall be reserved in the  
2 conveyance of all public lands made pursuant to this  
3 Act, except lands subject to unpatented mining  
4 claims for which the Claimant demonstrates the dis-  
5 covery of a valuable mineral deposit, a royalty pay-  
6 able to the United States on locatable minerals. The  
7 rate of the reserved royalty shall be commensurate  
8 with the rate determined by the Secretary that is  
9 common and customary at the time of conveyance  
10 for royalties on locatable minerals reserved by pri-  
11 vate parties on public and private lands in the region  
12 in which the lands are situated.

13           (4) CREDIT FOR LANDS CONVEYED TO THE  
14 UNITED STATES.—The Secretary shall accept from  
15 Claimant, subject to approval of title, a conveyance  
16 of any private lands identified in subsection  
17 (b)(1)(B) that Claimant offers to convey to the  
18 United States. Claimant shall receive a credit equal  
19 to the market value of any private lands conveyed to  
20 the United States pursuant to this section, which  
21 credit shall be applied against the cash consideration  
22 to be paid to the United States for the public lands  
23 conveyed to Claimant pursuant to this Act.

24           (5) TIMING.—The Secretary shall—

1           (A) with respect to each application made  
2 pursuant to paragraph (1) complete all nec-  
3 essary appraisals, review and determine the va-  
4 lidity of the assertions of the discovery of a val-  
5 uable mineral deposit on lands on which the  
6 Claimant has made such an assertion, and de-  
7 termine the appropriate royalty for public lands  
8 on which the Secretary determines that the  
9 Claimant has not demonstrated the existence of  
10 such a discovery, not later than 180 days after  
11 the date of submission of such application; and

12           (B) convey the public lands to be conveyed  
13 to the Claimant not later than 60 days after the  
14 completion of the actions described in subpara-  
15 graph (A).

16           (6) INDEPENDENT TRANSACTIONS.—The public  
17 lands to be sold to Claimant under this Act may be  
18 included in one or more conveyances.

19           (b) LAND DESCRIPTION.—

20           (1) IN GENERAL.—

21           (A) The public lands referred to in sub-  
22 section (a)(1) are the lands depicted as “Se-  
23 lected Lands” on the following maps:

1 (i) Northern Nevada Land Package  
2 For Placer Dome U.S. Inc.- Bald Mtn  
3 Mine - Selected Lands (Scale 1=2000);

4 (ii) Northern Nevada Land Package  
5 For Placer Dome U.S. Inc.- Cortez Gold  
6 Mines - Offered and Selected Lands (Scale  
7 1=8000);

8 (iii) Northern Nevada Land Package  
9 For Placer Dome U.S. Inc.- Getchell Mine  
10 - Selected Lands (Scale 1=4000); and

11 (iv) Northern Nevada Land Package  
12 For Graymont Western U.S. Inc. - Pilot  
13 Mine - (Scale 1= 1000).

14 (B) The private lands referred to in sub-  
15 section (a)(3) are the lands depicted as “Of-  
16 fered Lands” on the following map: Northern  
17 Nevada Land Package For Placer Dome U.S.  
18 Inc.-Cortez Gold Mines- Offered and Selected  
19 Lands (Scale 1=8000)

20 (2) LOCATIONS OF MAPS.—The maps described  
21 in paragraph (1) shall be available for public inspec-  
22 tion in the State Office of the Bureau of Land Man-  
23 agement, 1340 Financial Boulevard, Reno, Nevada.

24 (c) MISCELLANEOUS.—

1           (1) INTERIM CONVEYANCES.—Lands to be con-  
2           veyed by the United States pursuant to this Act  
3           which have not been surveyed, or with respect to  
4           which any boundary needs to be surveyed or resur-  
5           veyed, shall be conveyed by an interim conveyance,  
6           which shall convey to and vest in the Claimant to  
7           which such lands are conveyed the same right, title,  
8           and interest in and to such lands as the Claimant  
9           would have received in a patent issued pursuant to  
10          this Act. Upon completion of any necessary survey  
11          or resurvey, the Secretary shall patent any lands  
12          previously conveyed by an interim conveyance.  
13          Where necessary as a result of the survey or resur-  
14          vey of such lands, the boundary may be corrected in  
15          the patent.

16          (2) SURVEYS.—Notwithstanding any other pro-  
17          vision of law, the Secretary shall conduct and ap-  
18          prove all cadastral surveys that are necessary for  
19          completion of each sale authorized and directed by  
20          this Act. In conducting such surveys, the Secretary  
21          is authorized to conduct perimeter surveys of contig-  
22          uous blocks of public lands and convey such lands  
23          based on these surveys. Due to the lack of accurate  
24          and complete public land surveys in some portions of  
25          the public lands, the Secretary is authorized to use

1 existing Bureau of Land Management protraction  
2 diagrams and global positioning system survey tech-  
3 niques to complete such surveys. The cost of any  
4 surveys shall be borne by the Claimant.

5 (3) TECHNICAL CORRECTIONS.—Nothing in this  
6 Act shall prevent the parties affected thereby from  
7 mutually agreeing to the correction of technical er-  
8 rors or omissions in the maps and legal descriptions  
9 referred to in subsection (b)(1).

10 (4) VALID EXISTING RIGHTS.—All lands con-  
11 veyed under this Act shall be subject to valid exist-  
12 ing rights existing as of the date of transfer of title,  
13 and each party to which property is conveyed shall  
14 succeed to the rights and obligations of the con-  
15 veying party with respect to any mining claim, mill  
16 site claim, lease, right-of-way, permit, or other valid  
17 existing right to which the property is subject.

18 (5) ADMINISTRATION.—The Secretary is di-  
19 rected to implement and administer all rights and  
20 obligations of the United States under this Act.

21 **SEC. 5. DISPOSITION OF PROCEEDS.**

22 Of the gross proceeds of sales of land under this Act  
23 in a fiscal year—

24 (1) 25 percent of all proceeds, including pro-  
25 ceeds from royalties retained by the United States

1 pursuant to this Act, shall be paid directly to the  
2 State of Nevada for use in the general education  
3 program of the State;

4 (2) 10 percent of the initial proceeds, including  
5 proceeds from royalties retained by the United  
6 States pursuant to this Act, shall be set aside in a  
7 trust fund managed by the Bureau of Land Manage-  
8 ment for the operation of the California Trail Inter-  
9 pretative Center located in Elko County, Nevada;

10 (3) from the initial proceeds, excluding proceeds  
11 from royalties retained by the United States pursu-  
12 ant to this Act, 100 percent of the costs incurred by  
13 the Nevada State Office and relevant Field Offices  
14 of the Bureau of Land Management in conducting  
15 sales under this Act shall be reimbursed; and

16 (4) the remaining proceeds, including proceeds  
17 from royalties retained by the United States pursu-  
18 ant to this Act, shall be used by the Nevada Division  
19 of Minerals and the Nevada Division of Environ-  
20 mental Protection or its successor agencies in co-  
21 operation with the Bureau of Land Management and  
22 Army Corp of Engineers, for the rehabilitation of  
23 lands in Nevada that were subject to historic mining  
24 activities.

○