

FEDERAL FORESTS COUNTY REVENUE, SCHOOLS, AND
JOBS ACT OF 2012

DECEMBER 31, 2012.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural
Resources, submitted the following

R E P O R T

[To accompany H.R. 4019]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 4019) to increase employment and educational opportunities in, and improve the economic stability of, counties containing Federal forest land, while also reducing the cost of managing such land, by providing such counties a dependable source of revenue from such land, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Federal Forests County Revenue, Schools, and Jobs Act of 2012”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COUNTY, SCHOOLS, AND REVENUE TRUST FOR FEDERAL FOREST LAND

- Sec. 101. Definitions.
- Sec. 102. County, Schools, and Revenue Trust.
- Sec. 103. Opt out option.
- Sec. 104. Determination of annual revenue requirement and minimum sale level.
- Sec. 105. County, Schools, and Revenue Trust Projects.
- Sec. 106. Distribution of amounts from trust projects.
- Sec. 107. Payments to beneficiary counties from County, Schools, and Revenue Trust.
- Sec. 108. Initial payments pending implementation of trust projects.

TITLE II—PAYMENT IN LIEU OF TAXES AMENDMENTS

- Sec. 201. Extension.
- Sec. 202. Inclusion in definition of payment law.
- Sec. 203. Congressional notification and publication of information.

TITLE III—FOREST SERVICE RECREATION RESIDENCE PROGRAM

- Sec. 301. Definitions.
 Sec. 302. Cabin user fees.
 Sec. 303. Cabin transfer fees.
 Sec. 304. Right of appeal and judicial review.
 Sec. 305. Effect.
 Sec. 306. Regulations.

TITLE I—COUNTY, SCHOOLS, AND REVENUE TRUST FOR FEDERAL FOREST LAND

SEC. 101. DEFINITIONS.

In this title:

- (1) **ANNUAL REVENUE REQUIREMENT.**—The term “annual revenue requirement”, with respect to a unit of the National Forest System, means the amount equal to 60 percent of the average annual gross receipts derived from the unit during the 20-year period beginning with fiscal year 1980, as determined under section 104.
- (2) **BENEFICIARY COUNTY.**—
- (A) **IN GENERAL.**—The term “beneficiary county” means a political subdivision of a State that, on account of containing National Forest System land, was eligible to receive payments through the State under title I of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7111 et seq.).
- (B) **EXCLUSION OF CERTAIN COUNTIES.**—The term does not include a political subdivision of a State that elects not to participate under section 103. A political subdivision that opts out of participation may still receive payments as provided in the sixth paragraph under the heading of “FOREST SERVICE” in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500) and section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).
- (3) **CATASTROPHIC EVENT.**—The term “catastrophic event” means an event that the Secretary determines will cause or has caused severe damage to National Forest System land, including severe fire, insect or disease infestations, windthrow, or other extreme weather or natural disaster.
- (4) **CHARGEABLE VOLUME.**—
- (A) **IN GENERAL.**—The term “chargeable volume” means only the volume of timber and other forest products that is counted toward meeting the allowable sale quantity of a unit of National Forest System land based on the regionally applicable utilization and merchantability standards.
- (B) **EXCLUSION.**—The term does not include post and pole sales and personal use firewood.
- (5) **COMMUNITY WILDFIRE PROTECTION PLAN.**—The term “community wildfire protection plan” has the meaning given that term in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).
- (6) **COUNTY, SCHOOLS, AND REVENUE TRUST PROJECT.**—The terms “County, Schools, and Revenue Trust Project” and “trust project” mean a project designated by the Secretary as a project to generate amounts to help meet the annual revenue requirement.
- (7) **FEDERAL LAND.**—The term “Federal land” means—
- (A) land within the National Forest System; and
- (B) such portions of the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant land as are or may hereafter come under the jurisdiction of the Department of the Interior, which have heretofore or may hereafter be classified as timberlands, and power-site land valuable for timber, that shall be managed, except as provided in section 3 of the Act of August 28, 1937 (50 Stat. 875; 43 U.S.C. 1181c), for permanent forest production.
- (8) **MINIMUM SALE LEVEL.**—The term “minimum sale level”, for a unit of the National Forest System for a fiscal year, means a quantity equal to 50 percent of the average annual chargeable timber volume (as measured in net sawtimber volume) sold from the unit during the period beginning with fiscal year 1980 through fiscal year 2000, as determined under section 104.
- (9) **NATIONAL FOREST SYSTEM.**—The term “National Forest System” has the meaning given that term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)), except that the term does not include the National Grasslands and land utilization projects designated as National Grasslands administered pursuant to the Act of July 22, 1937 (7 U.S.C. 1010–1012).

(10) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture or the designee of the Secretary of Agriculture.

(11) **SECRETARY CONCERNED.**—The term “Secretary concerned” means—

(A) the Secretary of Agriculture or the designee of the Secretary of Agriculture with respect to National Forest System land; and

(B) the Secretary of the Interior or the designee of the Secretary of the Interior with respect to the Federal land described in paragraph (7)(B).

(12) **STATE.**—The term “State” includes the Commonwealth of Puerto Rico.

(13) **TRUST.**—The terms “County, Schools, and Revenue Trust” and “Trust” mean the County, Schools, and Revenue Trust established in the Treasury under section 102.

(14) **TRUSTEE.**—The term “Trustee” means the Secretary, acting as the trustee of the County, Schools, and Revenue Trust.

SEC. 102. COUNTY, SCHOOLS, AND REVENUE TRUST.

(a) **ESTABLISHMENT OF TRUST.**—There is established in the Treasury a fund to be known as the “County, Schools, and Revenue Trust”.

(b) **TRUST PURPOSE.**—The purpose of the Trust is to provide a dependable source of revenue for each beneficiary county containing National Forest System land.

(c) **FIDUCIARY RESPONSIBILITY.**—The Trustee has a fiduciary responsibility to beneficiary counties to use County, Schools, and Revenue Trust Projects to generate amounts sufficient to satisfy the annual revenue requirement established for units of the National Forest System.

(d) **TRUST ASSETS.**—

(1) **INITIAL DEPOSITS.**—To allow the transition necessary to implement this title, there is hereby appropriated to the Trust, out of amounts in the Treasury not otherwise appropriated, an amount equal to \$875,000,000 to provide payments under section 108 during fiscal years 2012 and 2013.

(2) **PORTION OF RECEIPTS FROM TRUST PROJECTS.**—There shall be credited to the Trust all amounts required by section 106(a)(1) to be deposited in the Trust from County, Schools, and Revenue Trust Projects.

(e) **LIMITATIONS.**—The assets of the Trust shall not—

(1) be subject to garnishment by, or otherwise paid to, a creditor of a beneficiary county;

(2) be expended other than for the purposes authorized in subsections (b) and (c) of section 107; or

(3) be used in lieu of or to otherwise offset State funding sources for local schools, facilities, or educational purposes.

(f) **REPORTING.**—Not later than 90 days after the end of each fiscal year (beginning with fiscal year 2014), the Secretary shall submit to Congress a report specifying the deposits into, and distributions from, the Trust during the preceding fiscal year.

SEC. 103. OPT OUT OPTION.

(a) **ELECTION.**—A political subdivision of a State that otherwise satisfies the definition of beneficiary county may elect not to participate under this title.

(b) **TIME AND DURATION OF ELECTION.**—An election to opt out under subsection (a) is effective for a single fiscal year and must be submitted to the Secretary before the start of that fiscal year.

(c) **EFFECT OF ELECTION.**—

(1) **NO TRUST PROJECTS.**—No County, Schools, and Revenue Trust Project may be commenced on National Forest System land located in any political subdivision that has opted out under subsection (a). Other activities on the National Forest System land in the political subdivision may be carried out in accordance with other laws applicable to the National Forest System land.

(2) **COMPLETION OF EXISTING PROJECTS.**—Trust projects underway before the effective date of the opt out may be completed.

SEC. 104. DETERMINATION OF ANNUAL REVENUE REQUIREMENT AND MINIMUM SALE LEVEL.

Not later than 60 days after the date of the enactment of this Act, the Secretary shall determine for each unit of the National Forest System—

(1) the annual revenue requirement for the unit; and

(2) the minimum sale level for the unit.

SEC. 105. COUNTY, SCHOOLS, AND REVENUE TRUST PROJECTS.

(a) **NEED FOR PROJECTS.**—Effective for fiscal year 2014 and each fiscal year thereafter, the Secretary shall carry out County, Schools, and Revenue Trust Projects in units of the National Forest System as necessary to achieve the annual revenue requirement for the unit. The Secretary is authorized and encouraged to commence the implementation of trust projects before fiscal year 2014 to begin generating

amounts for deposit in the Trust to supplement the funds made available under section 102(d)(1).

(b) DESIGNATION OF PROJECTS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary may designate any project involving National Forest System land (other than National Forest System land located in a political subdivision that opted out under section 103) as a County, Schools, and Revenue Trust Project.

(2) TYPES OF PROJECTS.—Trust projects may include a timber sale, issuance of a grazing permit, issuance of a special use permit involving land use, mineral development, power generation, or recreational use, and projects implementing a community wildfire protection plan.

(3) EXCLUSION OF CERTAIN LAND FROM TRUST PROJECTS.—A trust project shall not be designated on National Forest System land—

(A) that is a component of the National Wilderness Preservation System;

or

(B) on which the removal of vegetation is specifically prohibited by Federal law.

(4) MAXIMUM NUMBER OF DESIGNATED PROJECTS.—The maximum number of trust projects designated by the Secretary for a unit of the National Forest System for a fiscal year may not exceed the number of projects necessary to meet the annual revenue requirement for the unit.

(5) STANDARDS FOR TRUST PROJECTS.—A County, Schools, and Revenue Trust Project shall be consistent with standards and guidelines contained in the land and resource management plan or land use plan for the unit of the National Forest System in which the project will occur, except that the Secretary may modify such standards and guidelines for a specific trust project.

(c) SPECIAL AUTHORITY TO RESPOND TO CATASTROPHIC EVENTS.—Notwithstanding subsection (b)(4), the Secretary may designate any project conducted in response to a catastrophic event as a County, Schools, and Revenue Trust Project.

(d) PUBLIC REVIEW AND REQUIRED ENVIRONMENTAL ANALYSIS.—

(1) PUBLIC NOTICE AND COMMENT.—

(A) PROPOSED PROJECT.—The Secretary shall publish in the Federal Register notice of a proposed County, Schools, and Revenue Trust Project. The public may submit to the Secretary specific written comments that relate to the trust project within 30 days after the date of the publication of the notice.

(B) FINAL DECISION.—Not later than 120 days after the date on which notice was published under subparagraph (A) with regard to a proposed County, Schools, and Revenue Trust Project, and after taking into account any comments received under such subparagraph, the Secretary shall designate the final trust project and publish in the Federal Register notice of the final designated trust project.

(C) OBJECTIONS.—Only persons who submitted comments regarding a proposed County, Schools, and Revenue Trust Project under subparagraph (A) may submit to the Secretary specific written objections that relate to the final designated trust project. Any objections regarding the final trust project must be submitted within 30 days after the date of the publication of the notice under subparagraph (B).

(2) ENVIRONMENTAL REPORT REQUIREMENT.—

(A) IN GENERAL.—Except as provided under subparagraph (C), the Secretary shall prepare an environmental report for each final designated County, Schools, and Revenues Trust Project within 180 days after the date on which notice was published under paragraph (1)(A) with regard to the project.

(B) ELEMENTS OF REPORT.—The environmental report for a trust project shall include at a minimum the following:

(i) To the extent the Secretary considers appropriate and feasible, an evaluation of the environmental impacts of the proposed project, including the effect, if any, on threatened or endangered species listed under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(ii) Public comments received by the Secretary regarding the project under subparagraph (A) of paragraph (1), objections to the project submitted under subparagraph (C) of such paragraph, and any response to the comments and objections.

(iii) Any modifications to the project to ensure that the annual revenue requirement is met.

(C) SPECIAL DEADLINES FOR PROJECTS IN RESPONSE TO CATASTROPHIC EVENT.—In the case of a trust project proposed in response to a catastrophic event, the Secretary shall complete the environmental report required by

this paragraph within 30 days after the date on which notice was published under paragraph (1)(A) with regard to the proposed project. The Secretary shall adjust the deadlines for public comments specified in subparagraphs (A) and (C) of paragraph (1) as necessary to achieve the expedited reporting requirement imposed by this subparagraph.

(D) COST TO PREPARE ENVIRONMENTAL REPORT.—The costs to prepare the environmental report for a trust project shall not exceed an amount equal to one-third of the estimated value of the receipts to be generated by the trust project.

(3) SOLE MEANS FOR ADMINISTRATIVE REVIEW.—The procedures provided by this subsection are the sole means by which a person may seek administrative review of a County, Schools, and Revenue Trust Project.

(4) NO JUDICIAL REVIEW.—There shall be no judicial review of the environmental report for a County, Schools, and Revenue Trust Project.

(e) COMPLIANCE.—Compliance with this section shall be deemed to be compliance with the requirements of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601 et seq.), the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.), section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and the Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528 et seq.).

SEC. 106. DISTRIBUTION OF AMOUNTS FROM TRUST PROJECTS.

(a) PERCENTAGE DISTRIBUTION.—The amounts derived from a County, Schools, and Revenue Trust Project shall be distributed as follows:

(1) 65 percent shall be deposited in the County, Schools, and Revenue Trust.

(2) 35 percent shall be deposited in the general fund of the Treasury for use as provided in subsection (b).

(b) USE OF FUNDS FOR FOREST SERVICE.—

(1) IN GENERAL.—Amounts deposited under subsection (a)(2) shall be available, in such amounts as may be provided in advance in appropriation Acts, for the Forest Service.

(2) FUNDS FOR PERFORMANCE BASED CASH AWARDS.—Of the amount made available under paragraph (1) for a fiscal year, the Secretary shall make available to the responsible officials for units of the National Forest System up to one percent of the amount for the purpose of providing performance-based cash awards under section 4505a of title 5, United States Code, to employees of the Forest Service who assist a unit in exceeding its minimum sale level for the fiscal year.

SEC. 107. PAYMENTS TO BENEFICIARY COUNTIES FROM COUNTY, SCHOOLS, AND REVENUE TRUST.

(a) DISTRIBUTION METHOD.—As soon as practicable at the end of each fiscal year, the Secretary shall distribute all amounts that were deposited in the County, Schools, and Revenue Trust from trust projects for that fiscal year to the States for distribution to beneficiary counties in the manner provided by section 102(c)(1) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(c)(1)).

(b) USE OF FUNDS.—The use of amounts received by a beneficiary county under this section shall be subject to subsections (c)(2) and (d) of section 102 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112).

SEC. 108. INITIAL PAYMENTS PENDING IMPLEMENTATION OF TRUST PROJECTS.

(a) FISCAL YEAR 2012.—

(1) BENEFICIARY COUNTIES.—As soon as practicable after the end of fiscal year 2012, the Secretary of Agriculture shall distribute to each beneficiary county a payment equal to the amount distributed to the beneficiary county for fiscal year 2010 under section 102(c)(1) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(c)(1)).

(2) COUNTIES THAT WERE ELIGIBLE FOR DIRECT COUNTY PAYMENTS.—As soon as practicable after the end of fiscal year 2012, the Secretary of the Interior shall distribute to each county that received a payment for fiscal year 2010 under section 102(a)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(a)(2)) a payment equal to the amount distributed to the county for fiscal year 2010 under section 102(c)(1) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(c)(1)).

(b) FISCAL YEAR 2013.—As soon as practicable at the end of fiscal year 2013, the Secretary concerned shall distribute to each beneficiary county that received a payment under subsection (a)(1) and to each county that received a payment under sub-

section (a)(2) a payment equal to 75 percent of the amount distributed to the county under subsection (a).

(c) SOURCE OF FUNDS.—The amounts required to be distributed under this section shall be derived from funds in the County, Schools, and Revenue Trust.

(d) USE OF FUNDS.—The distribution under this section of amounts to a beneficiary county shall be subject to subsections (c)(2) and (d) of section 102 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112). The distribution under this section of amounts to a county described in subsection (a)(2) shall be subject to subsection (d) of such section.

TITLE II—PAYMENT IN LIEU OF TAXES AMENDMENTS

SEC. 201. EXTENSION.

Section 6906 of title 31, United States Code, is amended by striking “2012” and inserting “2017”.

SEC. 202. INCLUSION IN DEFINITION OF PAYMENT LAW.

Section 6903(a)(1) of title 31, United States Code, amended—

- (1) by striking “and” at the end of subparagraph (I);
- (2) by striking the period at the end of subparagraph (J) and inserting “; and”; and
- (3) by adding at the end the following new subparagraph:

“(K) title I of the Federal Forests County Revenue, Schools, and Jobs Act of 2012.”.

SEC. 203. CONGRESSIONAL NOTIFICATION AND PUBLICATION OF INFORMATION.

Section 6903 of title 31, United States Code, is amended by adding at the end the following new subsections:

“(e) CONGRESSIONAL NOTIFICATION.—The Secretary of the Interior shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a list of States that have not submitted to the Secretary the data required to calculate payments under this chapter by January 15 of each year.

“(f) PUBLICATION.—The Secretary of the Interior shall—

“(1) publish in the Federal Register and on the Department of the Interior website a list of States that have not submitted to the Secretary the data required to calculate payments under this chapter by February 1 of each year; and

“(2) update the list published on the Department of the Interior website under paragraph (1) to reflect any changes in the list.

“(g) ISSUANCE OF PAYMENTS.—Not later than May 1 of each fiscal year, the Secretary of the Interior shall issue the payments authorized under this chapter.”.

TITLE III—FOREST SERVICE RECREATION RESIDENCE PROGRAM

SEC. 301. DEFINITIONS.

In this title:

(1) AUTHORIZATION; AUTHORIZE.—The terms “authorization” and “authorize” mean the issuance of a special use permit for the use and occupancy of National Forest System land by a cabin owner under the Recreation Residence Program.

(2) CABIN.—The term “cabin” means a privately built and owned recreation residence and related improvements on National Forest System land that—

- (A) is authorized for private use and occupancy; and
- (B) may be sold or transferred between private parties.

(3) CABIN OWNER.—The term “cabin owner” means—

- (A) a person authorized by the Secretary to use and to occupy a cabin; and
- (B) a trust, heir, or assign of a person described in subparagraph (A).

(4) CABIN TRANSFER FEE.—The term “cabin transfer fee” means a fee that is paid to the United States on the transfer of a cabin between private parties for money or other consideration that results in the issuance of a new permit.

(5) CABIN USER FEE.—The term “cabin user fee” means an annual fee paid to the United States by a cabin owner in accordance with an authorization for the use and occupancy of a cabin.

(6) **CURRENT APPRAISAL CYCLE.**—The term “current appraisal cycle” means the completion of Forest Service review and acceptance of—

- (A) initial typical lot appraisals; and
- (B) second appraisals, if ordered by cabin owners and approved by the Forest Service.

(7) **CURRENT CABIN USER FEE.**—The term “current cabin user fee” means the most recent cabin user fee, as adjusted under section 302(c).

(8) **LOT.**—The term “lot” means a parcel of National Forest System land on which a person is authorized to build, use, occupy, and maintain a cabin.

(9) **NATIONAL FOREST SYSTEM.**—The term “National Forest System” has the meaning given that term in section 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609).

(10) **RECREATION RESIDENCE PROGRAM.**—The term “Recreation Residence Program” means the Recreation Residence Program established under the last paragraph under the heading “FOREST SERVICE” in the Act of March 4, 1915 (16 U.S.C. 497).

(11) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(12) **TYPICAL LOT.**—The term “typical lot” means a cabin lot, or group of cabin lots, in a tract that is selected for use in an appraisal as being representative of, and that has similar value characteristics as, other lots or groups of lots within the tract.

SEC. 302. CABIN USER FEES.

(a) **PAYMENT OF CABIN USER FEES.**—Cabin owners shall pay an annual cabin user fee established by the Secretary in accordance with this section.

(b) **INITIAL CABIN USER FEES.**—

(1) **ESTABLISHMENT.**—The Secretary shall establish initial cabin user fees in accordance with this subsection.

(2) **ASSIGNMENT TO VALUE TIERS.**—On completion of the current appraisal cycle, as required by paragraph (4), the Secretary shall assign each permitted lot on National Forest System land to 1 of 9 tiers based on the following considerations:

(A) Before assigning the lots to tiers, all appraised lot values shall be adjusted, or normalized, for price changes occurring after the appraisal, in accordance with the National Association of Homebuilders/Wells Fargo Housing Opportunity Index.

(B) Second appraisal values that meet Forest Service standards for approval shall supersede initial lot appraisal values for the normalization and ranking process under subparagraph (A).

(C) The tiers shall be established, on a national basis, according to relative lot value, with lots having the lowest adjusted appraised value assigned to tier 1 and lots having the highest adjusted appraised value assigned to tier 9.

(D) The number of lots (by percentage) assigned to each tier is contained in the table set forth in paragraph (3).

(E) Data from incomplete appraisals may not be used to establish the fee tiers under this subsection.

(F) Until assigned to a tier under this subsection, the Secretary shall assess (and may adjust annually subject to clause (ii)) an interim fee for permitted cabin lots (including lots with incomplete appraisals) in an amount equal to the lesser of—

- (i) \$4,500; or
- (ii) the amount of the current cabin user fee, as determined under the Cabin User Fee Fairness Act of 2000 (16 U.S.C. 6201 et seq.), which amount the Secretary may increase annually by not more than 25 percent, except that the increased fee shall not exceed the otherwise scheduled fee determined under the Cabin User Fee Fairness Act of 2000.

(3) **AMOUNT OF INITIAL CABIN USER FEES.**—The initial cabin user fees, based on the assignments under paragraph (2), are as follows:

Fee Tier	Approximate Percent of Permits Nationally	Fee Amount
Tier 1	8 percent	\$500
Tier 2	16 percent	\$1,000
Tier 3	20 percent	\$1,500

Fee Tier	Approximate Percent of Permits Nationally	Fee Amount
Tier 4	20 percent	\$2,000
Tier 5	12 percent	\$2,500
Tier 6	8 percent	\$3,000
Tier 7	6 percent	\$3,500
Tier 8	6 percent	\$4,000
Tier 9	4 percent	\$4,500.

(4) **DEADLINE FOR COMPLETION OF CURRENT APPRAISAL CYCLE.**—Not later than 3 years after the date of enactment of this Act, the Secretary shall complete the current appraisal cycle.

(5) **EFFECTIVE DATE.**—The initial cabin user fees required by this subsection shall take effect beginning with the first calendar year beginning after the completion of the current appraisal cycle.

(c) **ANNUAL ADJUSTMENTS OF CABIN USER FEE.**—Once initial cabin user fees have been assessed, based on the tier assignments under subsection (b)(2), the Secretary shall use changes in the Implicit Price Deflator for the Gross Domestic Product published by the Bureau of Economic Analysis of the Department of Commerce, applied on a 5-year rolling average, to assess an annual adjustment to cabin user fees.

(d) **EFFECT OF DESTRUCTION, SUBSTANTIAL DAMAGE, OR LOSS OF ACCESS.**—

(1) **IN GENERAL.**—The Secretary shall reduce the cabin user fee to \$100 per year for a cabin if—

(A) the cabin is destroyed or suffers substantial damage in an amount that is greater than 50 percent of replacement cost of the cabin; or

(B) access to the cabin is significantly impaired, whether by catastrophic events, natural causes, or governmental actions.

(2) **TERM OF REDUCED FEE.**—The reduced fee under paragraph (1) shall be in effect until the later of—

(A) the last day of the year in which the destruction or impairment occurs; or

(B) the date on which the cabin may be lawfully reoccupied and normal access has been restored.

SEC. 303. CABIN TRANSFER FEES.

(a) **PAYMENT OF CABIN TRANSFER FEES.**—In conjunction with the transfer of ownership of any cabin and the issuance of a new permit, the cabin owner transferring the cabin shall file with the Secretary a sworn statement declaring the amount of money or other value received, if any, for the transfer of the cabin.

(b) **AMOUNT.**—As a condition of the issuance by the Secretary of a new authorization for the use and occupancy of the cabin, the cabin owner transferring the cabin shall pay to the Secretary a cabin transfer fee in an amount determined as follows:

Consideration Received by Transfer	Transfer Fee Amount
\$0 to \$250,000	\$1,000
\$250,000.01 to \$500,000.00	\$1,000 plus 5 percent of consideration in excess of \$250,000 up to \$500,000
\$500,000.01 and above	\$1,000 plus 5 percent of consideration in excess of \$250,000 up to \$500,000 plus 10 percent of consideration in excess of \$500,000.

(c) **INDEX.**—The Secretary shall use changes in the Implicit Price Deflator for the Gross Domestic Product published by the Bureau of Economic Analysis of the Department of Commerce, applied on a 5-year rolling average, to determine and apply an annual adjustment to the cabin transfer fee threshold amounts set forth in the table contained in subsection (b).

SEC. 304. RIGHT OF APPEAL AND JUDICIAL REVIEW.

(a) **RIGHT OF APPEAL.**—

(1) **IN GENERAL.**—Notwithstanding any action of a cabin owner to exercise rights in accordance with section 305, the Secretary shall by regulation grant to the cabin owner the right to an administrative appeal of the determination of a new cabin user fee, fee tier, cabin transfer fee, or whether or not to reduce a cabin user fee under section 302(d).

(2) **APPLICABLE LAW.**—An appeal under paragraph (1) shall be pursuant to the appeal process provided under subpart C of part 251 of title 36, Code of Federal Regulations (or a successor regulation).

(b) **JUDICIAL REVIEW.**—

(1) **IN GENERAL.**—A cabin owner that contests a final decision of the Secretary under this title may bring a civil action in United States district court.

(2) **VENUE.**—The venue for an action brought before the United States district court under this subsection shall be in the Federal judicial district in which the cabin is located or the permit holder resides.

(3) **EFFECT ON MEDIATION.**—Nothing in this title precludes a person from seeking mediation for an action under this title.

SEC. 305. EFFECT.

(a) **IN GENERAL.**—Nothing in this title limits or restricts any right, title, or interest of the United States in or to any land or resource.

(b) **SPECIAL RULE FOR ALASKA.**—In determining a cabin user fee in the State of Alaska, the Secretary shall not establish or impose a cabin user fee or a condition affecting a cabin user fee that is inconsistent with 1303(d) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3193(d)).

SEC. 306. REGULATIONS.

Not later than December 31, 2013, the Secretary shall issue regulations to carry out this title.

PURPOSE OF THE BILL

The purpose of H.R. 4019, as ordered reported, is to increase employment and educational opportunities in, and improve the economic stability of, counties containing Federal forest land, while also reducing the cost of managing such land, and by providing such counties a dependable source of revenue from such land.

BACKGROUND AND NEED FOR LEGISLATION

Title I—County, Schools, and Revenue Trust for Federal Forest Land

Under federal law passed in 1908, the U.S. Forest Service has historically shared 25% of all timber revenues with rural counties containing National Forest land to compensate them for large amounts of federal land that cannot be taxed. Since that time, these “25% payments” have provided counties with much-needed funding for essential services such as education and infrastructure. However, by the late 1990s timber harvests dramatically declined due to federal over-regulation and harmful lawsuits, prompting Congress in 2000 to pass the Secure Rural Schools and Community Self-Determination Act (SRS).

SRS was created to provide “transition payments” over a six-year period while Congress worked to increase timber production, or rural counties found an alternative source of revenue. SRS has since been extended, although the authorization ended on September 30, 2011, and the final payments were distributed on December 31, 2011. In the absence of SRS, county payments will revert to 25% of current timber receipts—approximately \$60 million, an 80% decrease from the 2011 SRS payment of \$320 million.

H.R. 4019 would finally enact the long-term solution that Congress had intended by creating a dependable source of revenue through an increase in forest management receipts. The bill would

establish an annual revenue requirement based on an average percentage of historical receipt levels. The Forest Service would be required to meet the annual revenue requirement through the use of forest management projects under a streamlined environmental review process. The bill also provides for a short transition period to allow time to implement the proposal and begin generating receipts from Forest Service management activities.

Title II—Payment in Lieu of Taxes Amendments

The Payment in Lieu of Taxes (PILT) program, administered by the Department of the Interior (DOI), was established in 1976 to compensate local governments for lost property tax revenues on non-taxable federal land. County budgets are drafted with the expectation that DOI will distribute PILT funds on time to help pay for vital programs such as road construction, schools, local law enforcement and fire departments. Under current law, DOI is only required to make PILT payments by the end of the fiscal year, and the timing of the payments has fluctuated over the years with different administrations. In 2010, DOI announced a decision to delay payments. Since the data for every State is required to calculate PILT payments, problems receiving timely and accurate data from every State prompted the delay. While the payments were dispersed earlier than announced, there is an inherent need to ensure that payments can be made in a timely fashion.

Title II of H.R. 4019 provides mandatory full funding for PILT through 2017, and will require the Department of the Interior to issue payments to counties not later than May 1 of each fiscal year. It will also require the Department of Interior to notify Congress and publish the list of States that do not meet the annual January 15 deadline for submitting the data required for calculating PILT payments. These measures will ensure that annual PILT payments will be made in a timely fashion.

Since its inception, counties felt that PILT did not fully keep pace with inflation, and an amendment to adjust the payment level for inflation was enacted in 1994. Payments prior to 2008, however, were subject to annual appropriations over the last decade and full funding did not regularly occur so each county received only a pro rata share of the appropriation. A provision in the 2008 TARP bill (Public Law 110–343) provided for mandatory spending of the fully authorized PILT level over a five year period so that all counties will receive 100% of the authorized payment in fiscal years 2008 through 2012.

Title III—Forest Service Recreation Residence Program

A summer cabin program has existed in the National Forests for almost a century, but recent changes in the way fees are set for the permits for the cabins will put them beyond the reach of many of the 14,000 cabin owners. Title III of H.R. 4019 will provide a fair, simple and predictable structure for setting fees based on the actual value received, moderate the runaway fee hikes and reduce the administrative burden on the Forest Service.

Under current law, cabin owners are charged fees based on 50% of the value of the National Forest land on which the cabin is located. The current system for setting fees for ownership of cabins on National Forest land does not accurately reflect the value of the

limited use-permits involved. A limited and temporary permit is not comparable to the rights of fee-simple ownership. Because the many restrictions and conditions on the permits are not sufficiently included in the valuations, the fees often go far beyond what average families can afford, forcing many cabin owners to sell or abandon their cabins. Appraisals completed last year under the current Cabin User Fee Fairness Act (CUFFA) law indicate 45% of owners have seen fee increases of 200% or higher, 20% exceed \$5,000, 8.5% exceed \$7,000, and 3.7% exceed \$10,000. These CUFFA fees far exceed market rates when compared to similar leased (or permitted) recreation land uses. Title III would establish rates that more fairly reflect true market rates and revenues.

Title III of H.R. 4019, or the Cabin Fee Act (CFA) establishes a nine-tiered fee structure, indexed annually, that is fair to the cabin owner and the Treasury and will preserve cabin value or the ability to sell the cabin if the current owner cannot pay the fee. Instead of annual fees ranging from \$125 to the clearly unaffordable \$76,000 under current law, fees under CFA will range from \$500 to \$4500 per year.

CFA requires the assignment of each permitted lot on which the cabin is located to one of nine fee tiers, based on the rank order of current appraised values. The lowest 8% of appraised lot values are assigned to the \$500 tier. The highest 4% are assigned to the \$4,500 tier. Following this process, user fee revenue is projected to be about \$30M when fully implemented. User fees are to be adjusted annually by a rolling average of the Implicit Price Deflator for the Gross Domestic Product index.

Fee Tier	Approximate percent of permits nationally	Fee amount
1	8	\$500
2	16	1,000
3	20	1,500
4	20	2,000
5	12	2,500
6	8	3,000
7	6	3,500
8	6	4,000
9	4	4,500

A Transfer Fee, intended to capture the value influence of the National Forest location would be paid when that value influence is actually realized at the time of sale. The Transfer Fee has two components. First, a flat fee of \$1,000 is collected for all cabin sales and transfers. Second, if the sale price exceeds \$250,000, an additional 5% is collected on the sale price exceeding \$250,000 up to \$500,000, and an additional 10% on sale amounts exceeding \$500,000.

Cabin marketability is not encumbered, because cabin owners will have full knowledge of the indexed annual user fee and both a seller and buyer can factor the Transfer Fee into their negotiations at the time of sale. CFA provides cost savings to the Forest Service by the elimination of expensive appraisals and the loss of the substantial revenue from abandoned cabins that will occur if CUFFA stands unchanged.

With the elimination of the appraisal process under CUFFA, the Forest Service will save approximately \$1 million annually. The

complexity and expense of the appraisal process will be replaced with a cost-effective fee system and greatly simplified program administration.

COMMITTEE ACTION

H.R. 4019 was introduced on February 14, 2012, by Congressman Doc Hastings (R-WA). The bill was referred to the Committee on Natural Resources and in addition to the Committee on Agriculture. Earlier, on September 22, 2011, the Subcommittee on National Parks, Forests and Public Lands held a hearing on a draft version of the bill. On February 16, 2012, the Full Natural Resources Committee met to consider the bill. Congressman Rob Bishop (R-UT) offered an en bloc amendment to the bill; the amendment was adopted by voice vote. Congressman Don Young (R-AK) offered amendment designated .112 to the bill; the amendment was withdrawn. Congressman Don Young (R-AK) offered amendment designated .113 to the bill; the amendment was withdrawn. Congressman Ben Luján (D-NM) offered amendment designated .057 to the bill; the amendment was withdrawn. Congressman Edward Markey (D-MA) offered amendment designated .096 to the bill; the amendment was not adopted by a bipartisan roll call vote of 17 to 25, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: February 16, 2012

Recorded Vote #: 1

Meeting on / Amendment: **HR 4019** – An Amendment offered by Mr. Markey.096 was **NOT AGREED TO** by a roll call vote of 17 yeas and 25 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN				<i>Mr. Sarbanes, MD</i>			
<i>Mr. DeFazio, OR</i>	X			Mr. Duncan of SC		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ			
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mr. Holt, NJ</i>	X			Ms. Noem, SD		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>	X			Mr. Southerland, FL		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, MD		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>	X			Mr. Runyan, NJ		X	
Mr. McClintock, CA		X		Mr. Johnson, OH		X	
<i>Mr. Boren, OK</i>		X		Mr. Amodei, NV		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	17	25	

Congressman Raúl Grijalva (D-AZ) offered amendment designated .050 to the bill; the amendment was not adopted by a roll call vote of 18 to 24, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: February 16, 2012

Recorded Vote #: 2

Meeting on / Amendment: **HR 4019** – An Amendment offered by Mr. Grijalva.050 was **NOT AGREED TO** by a roll call vote of 18 yeas and 24 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK				<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN				<i>Mr. Sarbanes, MD</i>			
<i>Mr. DeFazio, OR</i>	X			Mr. Duncan of SC		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ			
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mr. Holt, NJ</i>	X			Ms. Noem, SD		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>	X			Mr. Southerland, FL		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, MD		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>	X			Mr. Runyan, NJ		X	
Mr. McClintock, CA		X		Mr. Johnson, OH		X	
<i>Mr. Boren, OK</i>	X			Mr. Amodei, NV		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	18	24	

Congressman Martin Heinrich (D–NM) offered an amendment in the nature of a substitute to the bill; the amendment was not adopted by a roll call vote of 18 to 25, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: February 16, 2012

Recorded Vote #: 3

Meeting on / Amendment: **HR 4019** – An Amendment in the Nature of a Substitute offered by Mr. Heinrich
was NOT AGREED TO by a roll call vote of 18 yeas and 25 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman		X		<i>Mr. Heinrich, NM</i>	X		
<i>Mr. Markey, MA Ranking</i>	X			Mr. Benishek, MI		X	
Mr. Young, AK		X		<i>Mr. Lujan, NM</i>	X		
<i>Mr. Kildee, MI</i>	X			Mr. Rivera, FL		X	
Mr. Duncan of TN				<i>Mr. Sarbanes, MD</i>			
<i>Mr. DeFazio, OR</i>	X			Mr. Duncan of SC		X	
Mr. Gohmert, TX		X		<i>Ms. Sutton, OH</i>	X		
<i>Mr. Faleomavaega, AS</i>				Mr. Tipton, CO		X	
Mr. Bishop, UT		X		<i>Ms. Tsongas, MA</i>	X		
<i>Mr. Pallone, NJ</i>	X			Mr. Gosar, AZ			
Mr. Lamborn, CO		X		<i>Mr. Pierluisi, PR</i>	X		
<i>Mrs. Napolitano, CA</i>	X			Mr. Labrador, ID		X	
Mr. Wittman, VA		X		<i>Mr. Garamendi, CA</i>	X		
<i>Mr. Holt, NJ</i>	X			Ms. Noem, SD		X	
Mr. Broun, GA		X		<i>Ms. Hanabusa, HI</i>	X		
<i>Mr. Grijalva, AZ</i>	X			Mr. Southerland, FL		X	
Mr. Fleming, LA		X		Mr. Flores, TX		X	
<i>Ms. Bordallo, GU</i>	X			Mr. Harris, MD		X	
Mr. Coffman, CO		X		Mr. Landry, LA		X	
<i>Mr. Costa, CA</i>	X			Mr. Runyan, NJ		X	
Mr. McClintock, CA		X		Mr. Johnson, OH		X	
<i>Mr. Boren, OK</i>	X			Mr. Amodei, NV		X	
Mr. Thompson, PA		X					
<i>Mr. Sablan, CNMI</i>	X						
Mr. Denham, CA		X					
				TOTALS	18	25	

The bill, as amended, was then adopted and ordered favorably reported to the House of Representatives by a bipartisan roll call vote of 26 to 17, 1 present, as follows:

Committee on Natural Resources
U.S. House of Representatives
112th Congress

Date: February 16, 2012

Recorded Vote #: 4

Meeting on / Amendment: **HR 4019** – Adopted and favorably reported to the House of Representatives, as amended, by a roll call vote of 26 yeas and 17 nays.

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA Chairman	X			<i>Mr. Heinrich, NM</i>		X	
<i>Mr. Markey, MA Ranking</i>		X		Mr. Benishek, MI	X		
Mr. Young, AK	X			<i>Mr. Lujan, NM</i>		X	
<i>Mr. Kildee, MI</i>		X		Mr. Rivera, FL	X		
Mr. Duncan of TN				<i>Mr. Sarbanes, MD</i>			
<i>Mr. DeFazio, OR</i>			X	Mr. Duncan of SC	X		
Mr. Gohmert, TX	X			<i>Ms. Sutton, OH</i>		X	
<i>Mr. Faleomavaega, AS</i>		X		Mr. Tipton, CO	X		
Mr. Bishop, UT	X			<i>Ms. Tsongas, MA</i>		X	
<i>Mr. Pallone, NJ</i>		X		Mr. Gosar, AZ			
Mr. Lamborn, CO	X			<i>Mr. Pierluisi, PR</i>		X	
<i>Mrs. Napolitano, CA</i>		X		Mr. Labrador, ID	X		
Mr. Wittman, VA	X			<i>Mr. Garamendi, CA</i>		X	
<i>Mr. Holt, NJ</i>		X		Ms. Noem, SD	X		
Mr. Broun, GA	X			<i>Ms. Hanabusa, HI</i>		X	
<i>Mr. Grijalva, AZ</i>		X		Mr. Southerland, FL	X		
Mr. Fleming, LA	X			Mr. Flores, TX	X		
<i>Ms. Bordallo, GU</i>		X		Mr. Harris, MD	X		
Mr. Coffman, CO	X			Mr. Landry, LA	X		
<i>Mr. Costa, CA</i>		X		Mr. Runyan, NJ	X		
Mr. McClintock, CA	X			Mr. Johnson, OH	X		
<i>Mr. Boren, OK</i>	X			Mr. Amodei, NV	X		
Mr. Thompson, PA	X						
<i>Mr. Sablan, CNMI</i>		X					
Mr. Denham, CA	X						
				TOTALS	26	17	1

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 4019—Federal Forests County Revenue, Schools, and Jobs Act of 2012

Summary: H.R. 4019 would require the Forest Service to generate a minimum level of receipts each year from certain activities conducted in national forests and to spend a portion of those receipts to make annual payments to certain counties. The bill also would reauthorize the Department of the Interior (DOI) to make mandatory annual payments through 2017 to counties that contain certain federal lands. Finally, the bill would establish a new schedule for the fees paid to the federal government by individuals who own cabins located on Forest Service lands.

Based on information provided by the affected federal agencies, state timber agencies, and individuals working in the timber industry, CBO estimates that enacting the legislation would increase net direct spending by about \$2.6 billion over the 2012–2022 period; therefore, pay-as-you-go procedures apply. In addition, the bill would increase discretionary spending for certain Forest Service activities by about \$200 million a year over the 2014–2022 period, assuming appropriation of the estimated amounts. Enacting H.R. 4019 would not affect revenues.

H.R. 4019 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the federal government: The estimated budgetary impact of H.R. 4019 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 800 (general government).

	By fiscal year, in millions of dollars—												2013– 2017	2013– 2022
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022				
CHANGES IN DIRECT SPENDING														
Forest Service Net Receipt Sharing:														
Estimated Budget Authority	500	95	2	2	2	2	2	2	2	2	2	2	602	611
Estimated Outlays	500	95	2	2	2	2	2	2	2	2	2	2	602	611
Reauthorization of Mandatory Payments in Lieu of Taxes:														
Estimated Budget Authority	398	375	396	403	410	0	0	0	0	0	0	0	1,982	1,982
Estimated Outlays	398	375	396	403	410	0	0	0	0	0	0	0	1,982	1,982
Cabin Fee Program:														
Estimated Budget Authority	2	–2	*	1	2	4	4	4	4	5	5	5	3	25
Estimated Outlays	2	–2	*	1	2	4	4	4	4	5	5	5	3	25
Total Changes:														
Estimated Budget Authority	900	468	399	406	414	6	6	6	7	7	7	7	2,587	2,618
Estimated Outlays	900	468	399	406	414	6	6	6	7	7	7	7	2,587	2,618
CHANGES IN SPENDING SUBJECT TO APPROPRIATION														
Estimated Authorization Level	0	200	200	200	200	200	200	200	200	200	200	200	800	1,800
Estimated Outlays	0	150	200	200	200	200	200	200	200	200	200	200	750	1,750

Note: Components may not sum to totals because of rounding; *= between –\$500,000 and \$500,000.

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted during 2012 and that the necessary amounts will be appropriated for each fiscal year.

Direct Spending.—CBO estimates that enacting H.R. 4019 would increase net direct spending by \$2.6 billion over the 2012–2022 period. That net increase stems from provisions that would increase offsetting receipts from timber production and mineral leasing on federal lands, increase payments that the Forest Service makes to share those receipts with certain counties, reauthorize certain other mandatory payments to counties that contain nontaxable federal lands within their jurisdictions, and reduce offsetting receipts from fees paid to the federal government by individuals who own cabins on Forest Service lands.

Forest Service Net Receipt Sharing.—A portion of the receipts generated from the sale of resources on federal land (which offset direct spending) are paid to states and counties; those payments, known as receipt-sharing payments, are based on formulas specific to the type of federal land involved. Title I would increase the gross receipts generated from lands administered by the Forest Service (by \$2.5 billion) as well as associated direct spending (by \$3.1 billion). On net, CBO estimates that enacting title I would increase net direct spending by \$611 million over the 2012–2022 period.

The bill would establish the County, Schools, and Revenue Trust Fund, an accounting mechanism to record receipts from certain income-generating activities on lands administered by the Forest Service. Under the bill, 65 percent of amounts credited to the fund in a given year would become available in the following year, without further appropriation, to make payments to local jurisdictions where such lands are located, according to formulas specified in existing law and referenced by the bill. The bill also specifies that the remaining 35 percent of receipts in the fund would be deposited in the general fund of the Treasury and would be unavailable for spending. However, in CBO's view, counties would remain eligible for additional payments totaling 25 percent of gross receipts under provisions of existing law. Thus, under the bill, CBO estimates that

a total of 90 percent of receipts credited to the proposed fund would be paid to counties, with 10 percent being credited to the general fund.

The bill would capitalize the proposed fund with \$875 million that would be available, without further appropriation, for the Forest Service to make payments to counties in 2013 and 2014, before receipt-sharing payments from the proposed trust fund would begin. Those payments would be based on the amounts paid to eligible counties in 2010 under the Secure Rural Schools and Community Self-Determination Act of 2000 and would total \$500 million in 2013 and \$375 million in 2014.

To support the increased payments to counties after the 2013–2014 period, the bill would require the Forest Service to significantly increase gross receipts from activities such as timber sales and mineral leasing. Starting in 2014, the agency would be required to generate receipts totaling a minimum of \$548 million a year—more than double the amount of receipts we estimate the agency would generate under current law but significantly less than historically high levels of receipts generated in other years, particularly during the 1990s.

While the amount of annual receipts from Forest Service activities is primarily determined by market forces, CBO expects that several provisions in H.R. 4019 would increase the likelihood that the agency could meet the minimum receipt targets established in the bill. In particular, the bill would exempt certain receipt-generating projects carried out under the bill from compliance with certain laws, including the Endangered Species Act and the National Environmental Policy Act. CBO expects that those proposed exemptions would significantly increase access by the timber industry to the most valuable federal timber resources. For purposes of this estimate, CBO assumes that the Forest Service would meet the annual target by increasing the amount of commercially valuable timber offered for sale and prioritizing activities that generate receipts over those that promote environmental stewardship.

Relative to current law, CBO estimates that the bill's annual receipt requirement would increase gross receipts by \$280 million annually, starting in 2014 when the requirement would take effect. Because of the one-year lag between when receipts are collected and payments to counties are made, that net increase in receipts in 2014 would help to offset the cost of payments to counties in that year. Starting in 2015, however, CBO estimates that net deposits of Forest Service receipts—that is, the portion of receipts credited to the general fund and not automatically spent—would be slightly less under the bill than under current law. Under current law, CBO estimates such deposits would total \$57 million annually. Under the bill, however, CBO estimates net deposits would total only \$55 million (10 percent of the bill's annual receipt target), resulting in a net cost of \$2 million a year over the 2015–2022 period.

Reauthorization of Mandatory Payments In Lieu of Taxes.—Title II would reauthorize, through fiscal year 2017, a program that provides mandatory payments to certain counties that contain federal lands. Those payments are intended to compensate counties for the loss of revenues from public lands, which are not subject to local property taxes. The amount paid to each county is based on the amount of federal land within the county, the population of the

county, the amount of federal payments to the county in the prior year, and changes in the Consumer Price Index. Based on information from DOI, CBO estimates that reauthorizing mandatory payments in lieu of taxes would increase direct spending by about \$2 billion over the 2013–2017 period.

Cabin Fee Program.—Title III would establish a new schedule for fees assessed on privately owned cabins located on Forest Service lands. Under current law, owners of the roughly 14,000 affected cabins pay an annual fee to the federal government equal to 5 percent of the appraised value of the occupied land. Based on information provided by the agency, CBO estimates that fee collections from those cabins will total roughly \$20 million in 2012 and that those annual collections will increase to \$38 million by 2022. Collections will increase over that period as the agency completes appraisals of the affected Forest Service lands, implements new fees based on those appraisals, and annually adjusts fees on all cabins to account for inflation.

Under the bill, cabin owners would pay specified annual fees ranging from \$500 to \$4,500 per cabin, depending on the appraised value of the occupied land. Those fees would go into effect after the Forest Service completes its current appraisal cycle, which CBO expects will occur in 2013. Once the new fee system is implemented, CBO estimates that new cabin fee collections would total about \$29 million in 2014, rising to \$33 million by 2022. Because title III would cap annual cabin fees at \$4,500 and prevent scheduled fee increases from being implemented as they would be under current law, CBO estimates that enacting H.R. 4019 would, in general, lower annual receipts over the 2013–2022 period. For 2014 and 2015 CBO estimates that enacting the bill would increase receipts because we expect that cabin fees would be increased more gradually under current law than under the bill over that period. On net, CBO estimates that enacting the new cabin fees required under title III would reduce offsetting receipts (an increase in direct spending) by about \$30 million over the 2013–2022 period.

Title III also would require the Forest Service to collect a proposed new transfer fee from cabin owners who sell their cabins. The amount of the fee would be based on the sales price. CBO estimates that implementing this provision would increase offsetting receipts (a credit against direct spending) by about \$5 million over the 2013–2022 period, based on information provided by the Forest Service regarding the number of new lease permits issued each year and the values of the affected cabins.

Spending Subject to Appropriation.—CBO estimates that implementing H.R. 4019 would require a significant increase in the amount of funds appropriated to the Forest Service to administer timber sales, replace harvested trees, and mitigate the environmental impacts of timber harvesting. Under current law, the agency spends, without annual appropriation, about \$130 million a year from receipts generated in the national forests to fund those activities. Under the bill, CBO expects that any receipts that would have been used to fund such activities over the 2014–2022 period would be paid to counties or deposited in the U.S. Treasury. We also expect that the bill would significantly increase timber sales over that period. Thus, CBO estimates that implementing H.R. 4019

would cost about \$200 million a year, assuming appropriation of the necessary amounts.

Pay-as-you-go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in direct spending that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 4019 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON NATURAL RESOURCES ON FEBRUARY 14, 2012

	By fiscal year, in millions of dollars—														2012–2017	2012–2022
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022					
NET INCREASE IN THE DEFICIT																
Statutory Pay-As-You-Go Impact	0	900	468	399	406	414	6	6	6	7	7	2,587	2,618			

Intergovernmental and private-sector impact: H.R. 4019 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Local governments would benefit from increased payments of about \$6 billion over the 2013–2022 period as a result of leasing and other activities on federal lands.

Previous CBO estimate: On February 7, 2012, CBO transmitted a cost estimate for H.R. 3397, the Cabin Fee Act of 2011, as ordered reported by the House Committee on Natural Resources on November 17, 2011. Title III of H.R. 4019 contains provisions similar to those in H.R. 3397, and the CBO cost estimates for those provisions are the same.

Estimate prepared by: Federal costs: Jeff LaFave; Impact on State, local, and tribal governments: Melissa Merrell; Impact on the private sector: Amy Petz.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in revenues or tax expenditures. Based on information provided by the affected federal agencies, state timber agencies, and individuals working in the timber industry, CBO estimates that enacting the legislation would increase net direct spending by about \$2.6 billion over the 2012–2022 period; therefore, pay-as-you-go procedures apply. In addition, the bill would increase discretionary spending for certain Forest Service activities by about \$200 million a year over the 2014–2022 period, assuming appropriation of the estimated amounts.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill, as ordered reported, is to increase employment and educational opportunities in, and improve the economic stability of, counties containing Federal forest land, while also reducing the cost of managing such land, and by providing such counties a dependable source of revenue from such land.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates as defined under Public Law 104-4.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 31, UNITED STATES CODE

* * * * *

**SUBTITLE V—GENERAL ASSISTANCE
ADMINISTRATION**

* * * * *

CHAPTER 69—PAYMENT FOR ENTITLEMENT LAND

* * * * *

§ 6903. Payments

(a) In this section—

(1) “payment law” means—

(A) * * *

* * * * *

(I) section 3 of the Act of July 31, 1947 (30 U.S.C. 603);

[and]

(J) section 10 of the Act of June 28, 1934 (known as the Taylor Grazing Act) (43 U.S.C. 315i)**[.]**; and

(K) *title I of the Federal Forests County Revenue, Schools, and Jobs Act of 2012.*

* * * * *

(e) *CONGRESSIONAL NOTIFICATION.—The Secretary of the Interior shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a list of States that have not submitted to the Secretary the data required to calculate payments under this chapter by January 15 of each year.*

(f) *PUBLICATION.—The Secretary of the Interior shall—*

(1) *publish in the Federal Register and on the Department of the Interior website a list of States that have not submitted to the Secretary the data required to calculate payments under this chapter by February 1 of each year; and*

(2) *update the list published on the Department of the Interior website under paragraph (1) to reflect any changes in the list.*

(g) *ISSUANCE OF PAYMENTS.—Not later than May 1 of each fiscal year, the Secretary of the Interior shall issue the payments authorized under this chapter.*

* * * * *

§ 6906. Funding

For each of fiscal years 2008 through **[2012]** 2017—

(1) * * *

* * * * *

