

At a Glance

S. 1262, Oregon Recreation Enhancement Act

As reported by the Senate Committee on Energy and Natural Resources on December 18, 2019

| By Fiscal Year, Millions of Dollars | 2020 | 2020-2025 | 2020-2030 | | | | |
|---|---------------|----------------------------|----------------|--|--|--|--|
| Direct Spending (Outlays) | 0 | 1 | 3 | | | | |
| Revenues | 0 | 0 | 0 | | | | |
| Increase or Decrease (-) in the Deficit | 0 | 1 | 3 | | | | |
| Spending Subject to Appropriation (Outlays) | * | 1 | not estimated | | | | |
| Statutory pay-as-you-go procedures apply? | Yes | Mandate Effects | | | | | |
| Increases on-budget deficits in any of the four consecutive 10-year | < \$5 billion | Contains intergovernmenta | al mandate? No | | | | |
| periods beginning in 2031? | | Contains private-sector ma | andate? No | | | | |
| | | | | | | | |

* = between zero and \$500,000.

The bill would

• Designate roughly 188,000 acres of federal land in Oregon for recreation and wilderness purposes, and generally withdraw some of that land from the commercial timber base

Estimated budgetary effects would primarily stem from

• Forgone federal receipts caused by withdrawing land from being available for commercial timber sales

Detailed estimate begins on the next page.

Bill Summary

S. 1262 would designate roughly 98,000 acres of federal land in Oregon as the Rogue Canyon Recreation Area and roughly 30,000 acres as the Molalla Recreation Area. The bill also would add about 60,000 acres of federal land in Oregon to the Wild Rogue Wilderness. Some of that land would be withdrawn from availability for commercial timber sales.

Estimated Federal Cost

The costs of the legislation fall within budget functions 300 (natural resources and environment) and 800 (general government).

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted in 2020.

Background

According to the Bureau of Land Management (BLM), the agency is managing the affected land for future timber production. Proceeds from timber sales are classified as offsetting receipts and recorded in the budget as reductions in direct spending. Generally, counties in Oregon receive 50 percent of those receipts. Based on the typical timeframe for preparing timber sales, CBO expects that sales on the affected land could commence in 2024.

Using information from BLM, we estimate that the agency will offer 3.8 million board feet of timber annually in the proposed Molalla Recreation Area. Based on sales in BLM's Salem District in recent years, we estimate that nearly all of the volume offered will be sold, at a price ranging from 30 cents to 35 cents per board foot. CBO estimates that gross receipts will total \$9 million over the 2020-2030 period.

In addition, we estimate that the agency will offer 2.6 million board feet of timber annually in the proposed Rogue Canyon Recreation Area and 900,000 board feet annually in the proposed addition to the Wild Rogue Wilderness. Based on sales in BLM's Medford District in recent years, we estimate that between 80 percent and 85 percent of the volume offered will be sold, at a price ranging from 15 cents to 20 cents per board foot. Gross receipts will total \$2 million in the proposed recreation area and less than \$1 million in the proposed wilderness addition over the 2020-2030 period, CBO estimates.

Accounting for payments to counties of 50 percent, we estimate that net federal receipts from timber production on the affected land will total \$6 million over the 2020-2030 period under current law.

Direct Spending

Under S. 1262, land designated as wilderness would be withdrawn from the commercial timber base. CBO estimates that the federal government would forgo net receipts totaling

less than \$500,000 over the 2020-2030 period in the proposed addition to the Wild Rogue Wilderness.

According to BLM, designating land for recreation purposes could reduce the potential for timber production; however, CBO has no basis to estimate those effects. In the absence of specific information, CBO uses a 50 percent probability that timber sales would occur under the bill in the proposed recreation areas. On that basis, we estimate that the federal government would forgo \$3 million in net receipts from timber production in those areas.

In total, enacting S. 1262 would increase direct spending by \$3 million over the 2020-2030 period.

Spending Subject to Appropriation

S. 1262 also would withdraw roughly 100,000 acres of Forest Service and BLM land in Oregon from entry under hardrock mining laws and mineral and geothermal leasing, and would direct BLM to prepare a wildfire mitigation plan for the proposed recreation areas. Based on the costs of similar tasks, CBO estimates that it would cost the federal government about \$1 million over the 2020-2025 period to implement those requirements, update management plans, and conduct boundary surveys. Such spending would be subject to the availability of appropriated funds.

Uncertainty

The amount the government will collect from timber sales on the affected land is uncertain and could be higher or lower than CBO estimates. Specifically, CBO cannot predict with certainty the volume or value of timber production on the affected land, when BLM will hold timber sales, or how the recreation designations under the bill would affect BLM's management of those areas for timber production.

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 outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

| Table 1. CBO's Estimate of the Statutory Pay-As-You-Go Effects of S. 1262, the Oregon Recreation Enhancement Act, as Reported by the Senate Committee on Energy and Natural Resources on December 18, 2019 | | | | | | | | | | | | | |
|--|------|------|------|------|------|------|--------|------|------|------|------|---------------|---------------|
| | | | | | | | | | | | | | |
| By Fiscal Year, Millions of Dollars | | | | | | | | | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2020- 2025 | 2020- 2030 |
| Net Increase in the Deficit | | | | | | | | | | | | | |
| Pay-As-You-Go | | | | | | | Dencit | | | | | | |
| Effect | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3 |

Increase in Long-Term Deficits

CBO estimates that enacting S. 1262 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2031.

Mandates: None.

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