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CHAIRMAN DOC HASTINGS

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PERMALINK

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Secure Rural Schools, PILT Legislation Introduced to Create Jobs, Support Rural Counties and Restore Active Forest Management

Committee to Markup Legislation This Week

WASHINGTON, D.C. – House Natural Resources Committee Chairman Doc Hastings (WA-04) yesterday introduced H.R. 4019, the *Federal Forest County Revenue, Schools and Jobs Act of 2012.* The bill is a long-term solution that would provide rural counties with a stable revenue stream, create jobs, grow rural economies, and restore active, healthy forest management. The bill also provides for a five year extension of the Payment in Lieu of Taxes (PILT) program and brings certainty to families who own cabins in our National Forests by modifying the cabin fee formula to make it more predictable and affordable.

The Natural Resources Committee will hold a markup on Thursday, February 16th at 10:00AM that is scheduled to include the *Federal Forest County Revenue, Schools and Jobs Act of 2012.*

"Active management of our national forests is necessary to help rural communities create jobs and fund roads, schools and emergency services," **said Natural Resources Committee Chairman Doc Hastings.** *"This bill provides a long-term solution that will generate a stable source of revenue for counties, put people back to work, stimulate rural economies and keep our forests healthy by establishing a sustainable plan to increase responsible timber production. This legislation is the product of months of close work with local communities and Representatives from impacted states to find a solution that will bring revenue to counties and address the fundamental problem of declining forest management and timber sales."*

Specifically, the *Federal Forest County Revenue, Schools and Jobs Act of 2012*:

- Creates a County, Schools and Revenue Trust to provide a dependable source of revenue for rural counties that currently depend on SRS.

- Establishes an Annual Revenue Requirement (ARR) for each National Forest System unit, based on an average of gross receipts from 1980-2000. Of the ARR, 65% is shared with the counties through the County Revenue and Schools Trust and 35% is directed to the federal Treasury.

- Provides the Forest Service authority to carry out County Revenue and Schools Trust Projects in order to meet the required Annual Revenue Requirement (ARR). Trust

Projects may include timber sales; issuance of grazing permits; issuance of special permits involving land use, minerals, power, or recreation; and projects implementing a community wildfire protection plan.

- Requires that each federally approved Trust Project be subjected to a public comment period and administrative appeal, and required to undergo an "environmental report" that identifies and mitigates potential environmental impacts.

- Authorizes a transition period to continue making payments to counties and schools while the Forest Service begins the process of identifying and implementing Trust Projects.

- Authorizes a five year extension for mandatory full funding of the Payment In Lieu of Taxes (PILT) program to compensate local governments for lost property tax revenues on non-taxable federally owned land.

- Includes cabin fee fairness language from H.R. 3397, the *Cabin Fee Act of 2011* – which passed out of Committee in November 2011 – modifying the current cabin fee formula to make it more predictable and fair for families who own cabins in our National Forests.

Background:

SRS:

The Secure Rural Schools program expired at the end of last year and rural counties are on the verge of receiving drastically lower funding to pay for vital programs such as school and roads if Congress does not act.

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 overregulation 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. It expired in September 2011 and the final payments were distributed in December.

However, since the passage of SRS the federal government has failed to oversee a transition into increased timber production yet continued to provide money to these counties without ensuring the public land is properly managed. Lack of active forest management inhibits job creation, deprives counties of revenue to fund schools and roads, and makes our National Forests increasingly susceptible to wildfires and invasive species. As a result, many rural counties are suffering double-digit unemployment with little hope of creating meaningful jobs without access to common sense management of the public lands.

Payment in Lieu of Taxes (PILT):

PILT, administered by the Department of the Interior (DOI), was established in 1976 to compensate local governments across the country for lost property tax revenues on non-taxable federally owned land. The federal government does not pay property tax of federal lands and PILT payments are a form of compensation to rural communities. Payments are made directly to local governments to help pay for vital programs such as road construction, schools, local search and rescue operations, law enforcement and emergency services. The PILT program expires at the end of FY2012.

Cabin Fees:

In 1915, the National Forest Service established the Recreation Resident Program that set aside a small number of residential lots for Americans to build recreational cabins on federal land. The individuals own the cabin structures and pay a yearly fee for the use of the Forest Service lot. There are currently over 14,000 recreational cabin owners across the United States – the majority in the West.

In 2000, Congress adopted Public Law 106-291 that included a change in the law to implement variable cabin fees based on a subjective appraisal system. This change in the law has resulted in much higher fees than anticipated due to the difficulty in making appraisals that fully take into consideration the uniqueness of the cabins and the many uncommon variables when compared to typical homes and real estate. With few, or no, true comparable sales, resulting appraisals are subjective and may involve arbitrary determinations.

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