

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 periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	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 Some of that land would be withdrawn from availability for commercial timber sales.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



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.

Estimate Prepared By

Federal Costs: Janani Shankaran

Mandates: Lilia Ledezma

Estimate Reviewed By

Kim P. Cawley

Chief, Natural and Physical Resources Cost Estimates Unit

H. Samuel Papenfuss

Deputy Director of Budget Analysis