

### At a Glance

## S. 1589, Oregon Recreation Enhancement Act

As reported by the Senate Committee on Energy and Natural Resources on March 2, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	*	2
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	2
Spending Subject to Appropriation (Outlays)	*	1	not estimated
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

\* = between zero and \$500,000.

#### The bill would

- Designate 188,000 acres of federal land in Oregon for recreational use or as wilderness and withdraw some of that land from the commercial timber base

#### Estimated budgetary effects would mainly stem from

- Forgone federal income from timber sales

#### Areas of significant uncertainty include

- Estimating the amount of income forgone

**Detailed estimate begins on the next page.**

## **Bill Summary**

S. 1589 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 for recreational use. 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 Some of that land would be permanently withdrawn from commercial timber sales.

## **Estimated Federal Cost**

CBO estimates that enacting the bill would increase direct spending by less than \$500,000 each year, totaling \$2 million over the 2022-2031 period. Increases in spending subject to appropriation also would be below \$500,000 annually and would total \$1 million over the 2022-2026 period. 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 late in fiscal year 2022.

## **Background**

Under current law, the Bureau of Land Management (BLM) oversees federal land in Oregon that is slated for timber production. Income from timber sales is classified in the budget as offsetting receipts (or reductions in direct spending), and counties in which the timber is harvested generally receive 50 percent of the sales' proceeds.

Using information from BLM and accounting for typical timeframes for timber sales, CBO expects that under current law sales from the parcels named in the bill are likely to commence over the 2024-2026 period.

CBO expects that BLM will offer 1.7 million board feet of timber annually from the area the bill proposes to include in the Molalla Recreation Area. Based on recent years' sales in BLM's Salem District, CBO expects that nearly all the volume offered will be sold at a price ranging from 35 cents to 45 cents per board foot, totaling \$4 million in gross receipts over the 2022-2031 period.

CBO anticipates that BLM will offer 2.6 million board feet annually from the proposed Rogue Canyon Recreation Area and 900,000 board feet annually from the proposed addition to the Wild Rogue Wilderness. Based on recent years' sales in BLM's Medford District, CBO expects that between 75 percent and 80 percent of the timber offered will be sold at a price ranging from 15 cents to 25 cents per board foot. Over the 2022-2031 period, gross receipts from the sales from the proposed Rogue Canyon Recreation Area will total \$3 million and receipts from the proposed Wild Rogue Wilderness addition will total less than \$1 million.

After accounting for the 50 percent to be paid to county governments, CBO projects that net federal receipts from the sales will total \$4 million over the 2022-2031 period for those areas.

### **Direct Spending**

According to BLM, designating land for recreational use could reduce its potential for timber production; however, CBO has no basis on which to estimate that effect. In the absence of specific information, CBO used a 50 percent probability that timber sales would occur in the areas proposed for recreational use under the bill. On that basis, the federal government would forgo roughly \$2 million in net receipts over the next 10 years from timber production in Rogue Canyon and Molalla.

The land designated as wilderness under S. 1589 would be permanently withdrawn from the commercial timber base. CBO thus estimates that the federal government would forgo net receipts of less than \$500,000 over the 2022-2031 period from the proposed addition to the Wild Rogue Wilderness.

In total, CBO estimates that enacting S. 1589 would decrease receipts, and thus increase direct spending, by \$2 million over the 2022-2031 period.

### **Spending Subject to Appropriation**

S. 1589 also would withdraw roughly 100,000 acres of Forest Service and BLM land in Oregon from mineral development under hardrock mining laws and from mineral and geothermal leasing. The bill also would direct BLM to prepare a wildfire mitigation plan for the proposed recreation areas. Based on the costs of similar tasks, CBO estimates that implementing the bill would cost \$1 million over the 2022-2026 period to meet those requirements, update management plans, and conduct boundary surveys. Such spending would be subject to the availability of appropriated funds.

### **Uncertainty**

The amount that the government will collect from timber sales on the affected land is uncertain; thus, the amount of income forgone under S. 1589 could be more or less than CBO estimates. Specifically, CBO cannot predict the volume or the value of timber production, when BLM will hold 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. CBO estimates that under S. 1589, the net changes in outlays that are subject to those pay-as-you-go procedures would be less than \$500,000 in every year and would total \$2 million over the 2022-2031 period.



## **Increase in Long-Term Deficits**

CBO estimates that enacting S. 1589 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2032.

**Mandates:** None.

## **Estimate Prepared By**

Federal Costs: Janani Shankaran

Mandates: Lilia Ledezma

## **Estimate Reviewed By**

Susan Willie  
Chief, Natural and Physical Resources Cost Estimates Unit

H. Samuel Papenfuss  
Deputy Director of Budget Analysis