

Union Calendar No. 310

110TH CONGRESS
2^D SESSION

H. R. 3058

[Report No. 110-505, Part I]

To amend chapter 69 of title 31, United States Code, to provide full payments under such chapter to units of general local government in which entitlement land is located, to provide transitional payments during fiscal years 2008 through 2012 to those States and counties previously entitled to payments under the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2007

Mr. DEFAZIO (for himself, Mr. RAHALL, Mr. THOMPSON of California, Mr. BAIRD, Ms. HOOLEY, Mr. MATHESON, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

DECEMBER 19, 2007

Reported from the Committee on Natural Resources with amendments

[Strike out all after the enacting clause and insert the part printed in *italie*]

DECEMBER 19, 2007

Referral to the Committee on Agriculture extended for a period ending not later than January 15, 2008

JANUARY 15, 2008

Additional sponsors: Mr. UDALL of Colorado, Mrs. TAUSCHER, Mr. WU, Mr. ROSS, Mr. SIRES, Mr. SALAZAR, Ms. LINDA T. SÁNCHEZ of California, Mr. SCOTT of Georgia, Mr. INSLER, Mr. FILNER, Mrs. CAPPS, Mr. ALEXANDER, Mr. WALDEN of Oregon, Mr. LARSEN of Washington, Mr. BOUCHER, Mrs. MCMORRIS RODGERS, Mr. RENZI, Mr. DAVID DAVIS of Tennessee, Mr. REICHERT, Mr. HASTINGS of Washington, Mr. HERGER, Mr. BISHOP of Utah, Mr. MICHAUD, Mr. DOOLITTLE, Mr. HINOJOSA, Mr.

MCNERNEY, Mr. BOYD of Florida, Mr. BOSWELL, Mr. BOOZMAN, Mr. MCKEON, Mr. HASTINGS of Florida, Mr. HILL, Mr. MOORE of Kansas, Mr. OBERSTAR, Mr. REHBERG, Mr. RADANOVICH, and Mr. DAVIS of Alabama

JANUARY 15, 2008

Committee on Agriculture discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on July 17, 2007]

A BILL

To amend chapter 69 of title 31, United States Code, to provide full payments under such chapter to units of general local government in which entitlement land is located, to provide transitional payments during fiscal years 2008 through 2012 to those States and counties previously entitled to payments under the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as “Public Land Communities*
 5 *Transition Act of 2007”.*

6 **SEC. 2. FUNDING FOR PAYMENTS IN LIEU OF TAXES.**

7 *Section 6906 of title 31, United States Code, is amend-*
 8 *ed—*

9 *(1) by inserting “(a) IN GENERAL.—” before*
 10 *“Necessary”; and*

1 (2) *by adding at the end the following new sub-*
2 *section:*

3 “(b) *TRANSITION TO FULL FUNDING.—Amounts au-*
4 *thorized under this chapter shall be made available to the*
5 *Secretary of the Interior, out of any other funds in the*
6 *Treasury not otherwise appropriated and without further*
7 *appropriation, for obligation or expenditure in accordance*
8 *with this chapter as follows:*

9 “(1) *For fiscal year 2008, 80 percent of the*
10 *amount authorized under this chapter in the prior*
11 *fiscal year.*

12 “(2) *For fiscal year 2009, 90 percent of the*
13 *amount authorized under this chapter in the prior*
14 *fiscal year.*

15 “(3) *For fiscal years 2010 and 2011, 100 percent*
16 *of the amount authorized under this chapter in the*
17 *prior fiscal year.”.*

18 **SEC. 3. TRANSITIONAL PAYMENTS STATES AND COUNTIES**
19 **PREVIOUSLY ENTITLED TO PAYMENTS**
20 **UNDER SECURE RURAL SCHOOLS AND COM-**
21 **MUNITY SELF-DETERMINATION ACT OF 2000.**

22 (a) *TRANSITIONAL PAYMENTS.—Chapter 69 of title 31,*
23 *United States Code, is amended by adding at the end the*
24 *following new section:*

1 **“§ 6908. Secure rural schools transition payments**

2 “(a) *DEFINITIONS.—In this section:*

3 “(1) *ADJUSTED SHARE.—The term ‘adjusted*
4 *share’ means the number equal to the quotient ob-*
5 *tained by dividing—*

6 “(A) *the number equal to the quotient ob-*
7 *tained by dividing—*

8 “(i) *the base share for the eligible coun-*
9 *ty; by*

10 “(ii) *the income adjustment for the eli-*
11 *gible county; by*

12 “(B) *the number equal to the sum of the*
13 *quotients obtained under subparagraph (A) and*
14 *paragraph (8)(A) for all eligible counties.*

15 “(2) *BASE SHARE.—The term ‘base share’ means*
16 *the number equal to the average of—*

17 “(A) *the quotient obtained by dividing—*

18 “(i) *the number of acres of Federal*
19 *land described in paragraph (7)(A) in each*
20 *eligible county; by*

21 “(ii) *the total number acres of Federal*
22 *land in all eligible counties in all eligible*
23 *States; and*

24 “(B) *the quotient obtained by dividing—*

25 “(i) *the amount equal to the average of*
26 *the 3 highest 25-percent payments and safe-*

1 *ty net payments made to each eligible State*
2 *for each eligible county during the eligi-*
3 *bility period; by*

4 *“(i) the amount equal to the sum of*
5 *the amounts calculated under clause (i) and*
6 *paragraph (9)(B)(i) for all eligible counties*
7 *in all eligible States during the eligibility*
8 *period.*

9 *“(3) COUNTY PAYMENT.—The term ‘county pay-*
10 *ment’ means the payment for an eligible county cal-*
11 *culated under subsection (c).*

12 *“(4) ELIGIBLE COUNTY.—The term ‘eligible*
13 *county’ means any county that—*

14 *“(A) contains Federal land (as defined in*
15 *paragraph (7)); and*

16 *“(B) elects to receive a share of the State*
17 *payment or the county payment under sub-*
18 *section (f).*

19 *“(5) ELIGIBILITY PERIOD.—The term ‘eligibility*
20 *period’ means fiscal year 1986 through fiscal year*
21 *1999.*

22 *“(6) ELIGIBLE STATE.—The term ‘eligible State’*
23 *means a State or territory of the United States that*
24 *received a 25-percent payment for 1 or more fiscal*
25 *years of the eligibility period.*

1 “(7) *FEDERAL LAND.*—*The term ‘Federal land’*
2 *means—*

3 “(A) *land within the National Forest Sys-*
4 *tem, as defined in section 11(a) of the Forest and*
5 *Rangeland Renewable Resources Planning Act of*
6 *1974 (16 U.S.C. 1609(a)) exclusive of the Na-*
7 *tional Grasslands and land utilization projects*
8 *designated as National Grasslands administered*
9 *pursuant to the Act of July 22, 1937 (7 U.S.C.*
10 *1010–1012); and*

11 “(B) *such portions of the revested Oregon*
12 *and California Railroad and reconveyed Coos*
13 *Bay Wagon Road grant land as are or may*
14 *hereafter come under the jurisdiction of the De-*
15 *partment of the Interior, which have heretofore*
16 *or may hereafter be classified as timberlands,*
17 *and power-site land valuable for timber, that*
18 *shall be managed, except as provided in the*
19 *former section 3 of the Act of August 28, 1937*
20 *(50 Stat. 875; 43 U.S.C. 1181c), for permanent*
21 *forest production.*

22 “(8) *50-PERCENT ADJUSTED SHARE.*—*The term*
23 *‘50-percent adjusted share’ means the number equal to*
24 *the quotient obtained by dividing—*

1 “(A) the number equal to the quotient ob-
2 tained by dividing—

3 “(i) the 50-percent base share for the
4 eligible county; by

5 “(ii) the income adjustment for the eli-
6 gible county; by

7 “(B) the number equal to the sum of the
8 quotients obtained under subparagraph (A) and
9 paragraph (1)(A) for all eligible counties.

10 “(9) 50-PERCENT BASE SHARE.—The term ‘50-
11 percent base share’ means the number equal to the av-
12 erage of—

13 “(A) the quotient obtained by dividing—

14 “(i) the number of acres of Federal
15 land described in paragraph (7)(B) in each
16 eligible county; by

17 “(ii) the total number acres of Federal
18 land in all eligible counties in all eligible
19 States; and

20 “(B) the quotient obtained by dividing—

21 “(i) the amount equal to the average of
22 the 3 highest 50-percent payments made to
23 each eligible county during the eligibility
24 period; by

1 “(i) the amount equal to the sum of
2 the amounts calculated under clause (i) and
3 paragraph (2)(B)(i) for all eligible counties
4 in all eligible States during the eligibility
5 period.

6 “(10) 50-PERCENT PAYMENT.—The term ‘50-per-
7 cent payment’ means the payment that is the sum of
8 the 50-percent share otherwise paid to a county pur-
9 suant to title II of the Act of August 28, 1937 (chap-
10 ter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the pay-
11 ment made to a county pursuant to the Act of May
12 24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f-
13 1 et seq.).

14 “(11) FULL FUNDING AMOUNT.—The term ‘full
15 funding amount’ means—

16 “(A) \$520,000,000 for fiscal year 2008; and

17 “(B) for fiscal years 2009, 2010, and 2011,
18 the amount that is equal to 90 percent of the full
19 funding amount for the preceding fiscal year.

20 “(12) INCOME ADJUSTMENT.—The term ‘income
21 adjustment’ means the square of the quotient obtained
22 by dividing—

23 “(A) the per capita personal income for
24 each eligible county; by

1 “(B) *the median per capita personal income*
2 *of all eligible counties.*

3 “(13) *PER CAPITA PERSONAL INCOME.*—*The*
4 *term ‘per capita personal income’ means the most re-*
5 *cent per capita personal income data, as determined*
6 *by the Bureau of Economic Analysis.*

7 “(14) *SAFETY NET PAYMENTS.*—*The term ‘safety*
8 *net payments’ means the special payment amounts*
9 *paid to States and counties required by section 13982*
10 *or 13983 of the Omnibus Budget Reconciliation Act*
11 *of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43*
12 *U.S.C. 1181f note).*

13 “(15) *SECRETARY CONCERNED.*—*The term ‘Sec-*
14 *retary concerned’ means—*

15 “(A) *the Secretary of Agriculture or the des-*
16 *ignee of the Secretary of Agriculture with respect*
17 *to the Federal land described in paragraph*
18 *(7)(A); and*

19 “(B) *the Secretary of the Interior or the des-*
20 *ignee of the Secretary of the Interior with respect*
21 *to the Federal land described in paragraph*
22 *(7)(B).*

23 “(16) *STATE PAYMENT.*—*The term ‘State pay-*
24 *ment’ means the payment for an eligible State cal-*
25 *culated under subsection (b)*

1 “(17) 25-PERCENT PAYMENT.—The term ‘25-per-
2 cent payment’ means the payment to States required
3 by the sixth paragraph under the heading of **‘forest**
4 **service’** in the Act of May 23, 1908 (35 Stat. 260;
5 16 U.S.C. 500), and section 13 of the Act of March
6 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

7 “(b) CALCULATION OF STATE PAYMENT AMOUNT.—
8 For each of fiscal years 2008 through 2011, the Secretary
9 of Agriculture shall calculate for each eligible State an
10 amount equal to the sum of the products obtained by multi-
11 plying—

12 “(1) the adjusted share for each eligible county
13 within the eligible State; by

14 “(2) the full funding amount for the fiscal year.

15 “(c) CALCULATION OF COUNTY PAYMENT AMOUNT.—
16 For each of fiscal years 2008 through 2011, the Secretary
17 of the Interior shall calculate for each eligible county that
18 received a 50-percent payment during the eligibility period
19 an amount equal to the product obtained by multiplying—

20 “(1) the 50-percent adjusted share for the eligible
21 county; by

22 “(2) the full funding amount for the fiscal year.

23 “(d) PAYMENT AMOUNTS FOR ELIGIBLE STATES.—
24 The Secretary of the Treasury shall pay to each eligible
25 State an amount equal to the sum of the amounts elected

1 *under subsection (f) by each county within the eligible State*
2 *for—*

3 “(1) *if the county is eligible for the 25-percent*
4 *payment, the share of the 25-percent payment; or*

5 “(2) *the share of the State payment of the eligi-*
6 *ble county.*

7 “(e) *PAYMENT AMOUNTS FOR ELIGIBLE COUNTIES.—*
8 *The Secretary of the Treasury shall pay to each eligible*
9 *county an amount equal to the amount elected under sub-*
10 *section (f) by the county for—*

11 “(1) *if the county is eligible for the 50-percent*
12 *payment, the 50-percent payment; or*

13 “(2) *the county payment for the eligible county.*

14 “(f) *ELECTION TO RECEIVE PAYMENT AMOUNT.—*

15 “(1) *ELECTION; SUBMISSION OF RESULTS.—*

16 “(A) *IN GENERAL.—The election to receive*
17 *a share of the State payment, the county pay-*
18 *ment, a share of the State payment and the*
19 *county payment, a share of the 25-percent pay-*
20 *ment, the 50-percent payment, or a share of the*
21 *25-percent payment and the 50-percent payment,*
22 *as applicable, shall be made at the discretion of*
23 *each affected county by August 1, 2008, and*
24 *thereafter in accordance with paragraph (2)(A),*

1 *and transmitted to the Secretary concerned by*
2 *the Governor of each eligible State.*

3 “(B) *FAILURE TO TRANSMIT.*—*If an elec-*
4 *tion for an affected county is not transmitted to*
5 *the Secretary concerned by the date specified*
6 *under subparagraph (A), the affected county*
7 *shall be considered to have elected to receive a*
8 *share of the State payment, the county payment,*
9 *or a share of the State payment and the county*
10 *payment, as applicable.*

11 “(2) *DURATION OF ELECTION.*—

12 “(A) *IN GENERAL.*—*A county election to re-*
13 *ceive a share of the 25-percent payment or 50-*
14 *percent payment, as applicable, shall be effective*
15 *for 2 fiscal years.*

16 “(B) *FULL FUNDING AMOUNT.*—*If a county*
17 *elects to receive a share of the State payment or*
18 *the county payment, the election shall be effective*
19 *for all subsequent fiscal years through fiscal year*
20 *2011.*

21 “(g) *SOURCE OF PAYMENT AMOUNTS.*—*The payment*
22 *to an eligible State or eligible county under this section for*
23 *a fiscal year shall be derived from—*

24 “(1) *any revenues, fees, penalties, or miscella-*
25 *neous receipts, exclusive of deposits to any relevant*

1 *trust fund, special account, or permanent operating*
2 *funds, received by the Federal Government from ac-*
3 *tivities by the Bureau of Land Management or the*
4 *Forest Service on the applicable Federal land;*

5 “(2) *for fiscal year 2008, any funds appro-*
6 *propriated to carry out this section; and*

7 “(3) *to the extent of any shortfall, out of any*
8 *amounts in the Treasury of the United States not oth-*
9 *erwise appropriated.*

10 “(h) *DISTRIBUTION AND EXPENDITURE OF PAY-*
11 *MENTS.—*

12 “(1) *DISTRIBUTION METHOD.—A State that re-*
13 *ceives a payment under this section shall distribute*
14 *the appropriate payment amount among the appro-*
15 *priate counties in the State in accordance with—*

16 “(A) *the Act of May 23, 1908 (16 U.S.C.*
17 *500); and*

18 “(B) *section 13 of the Act of March 1, 1911*
19 *(36 Stat. 963; 16 U.S.C. 500).*

20 “(2) *EXPENDITURE PURPOSES.—Subject to*
21 *paragraph (3), payments received by a State under*
22 *this section and distributed to counties in accordance*
23 *with paragraph (1), and payments received directly*
24 *by an eligible county under this section, shall be ex-*
25 *pended in the same manner in which 25-percent pay-*

1 *ments or 50-percent payments, as applicable, are re-*
2 *quired to be expended.*

3 *“(3) RESERVATION OF PORTION OF PAYMENTS.—*
4 *Each eligible county receiving a payment under this*
5 *section or a portion of a State’s payment under this*
6 *section shall reserve not less than 15 percent of the*
7 *amount received for expenditure in accordance with*
8 *titles II and III of the Secure Rural Schools and*
9 *Community Self-Determination Act of 2000 (16*
10 *U.S.C. 500 note; Public Law 106–393).*

11 *“(i) TIME FOR PAYMENT.—The payments required*
12 *under this section for a fiscal year shall be made as soon*
13 *as practicable after the end of that fiscal year.”.*

14 *(b) CLERICAL AMENDMENT.—The table of sections at*
15 *the beginning of chapter 69 of title 31, United States Code,*
16 *is amended by adding at the end the following new item:*
 “6908. Secure rural schools transition payments.”.

17 *(c) EXTENSION OF TITLES II AND III OF SECURE*
18 *RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION*
19 *ACT OF 2000.—*

20 *(1) EXTENSION.—The Secure Rural Schools and*
21 *Community Self-Determination Act of 2000 (16*
22 *U.S.C. 500 note; Public Law 106–393) is amended—*

23 *(A) in sections 203(a), 204(e)(3)(B)(vi),*
24 *207(a), 208, and 303 by striking “2007” and in-*
25 *serting “2011”;*

1 (B) in sections 208 and 303, by striking
2 “2008” and inserting “2012”.

3 (2) *DEFINITION OF PARTICIPATING COUNTY.*—
4 *The Secure Rural Schools and Community Self-Deter-*
5 *mination Act of 2000 is amended—*

6 (A) in section 201(1), by inserting before
7 the period the following: “or that is required to
8 reserve funds under section 6908(h)(3) of title 31,
9 United States Code, or section 4(e) of the Public
10 Land Communities Transition Act of 2007”; and

11 (B) in section 301(1), by inserting before
12 the period the following: “or that is required to
13 reserve funds under section 6908(h)(3) of title 31,
14 United States Code, or section 4(e) of the Public
15 Land Communities Transition Act of 2007”.

16 (3) *DEFINITION OF PROJECT FUNDS.*—*The Se-*
17 *ecure Rural Schools and Community Self-Determina-*
18 *tion Act of 2000 is amended—*

19 (A) in section 201(2), by inserting before
20 the period the following: “or reserves under sec-
21 tion 6908(h)(3) of title 31, United States Code,
22 or section 4(e) of the Public Land Communities
23 Transition Act of 2007 for expenditure in ac-
24 cordance with this title”; and

1 (B) in section 301(2), by inserting before
2 the period the following: “or reserves under sec-
3 tion 6908(h)(3) of title 31, United States Code,
4 or section 4(e) of the Public Land Communities
5 Transition Act of 2007 for expenditure in ac-
6 cordance with this title”.

7 **SEC. 4. SPECIAL REQUIREMENTS REGARDING TRANSITION**

8 **PAYMENTS TO CERTAIN STATES.**

9 (a) *DEFINITIONS.*—In this section:

10 (1) *ADJUSTED AMOUNT.*—The term “adjusted
11 amount” means, with respect to a covered State—

12 (A) for fiscal year 2008—

13 (i) the sum of the amounts paid for fis-
14 cal year 2006 under section 102(a)(2) of the
15 Secure Rural Schools and Community Self-
16 Determination Act of 2000 (16 U.S.C. 500
17 note; Public Law 106–393), as in effect on
18 September 29, 2006, for the eligible counties
19 in the covered State that have elected under
20 section 6908 of title 31, United States Code,
21 as added by section 3 of this Act, to receive
22 a share of the State payment for fiscal year
23 2008; and

24 (ii) the sum of the amounts paid for
25 fiscal year 2006 under section 103(a)(2) Se-

1 *cure Rural Schools and Community Self-*
2 *Determination Act of 2000 (16 U.S.C. 500*
3 *note; Public Law 106–393), as in effect on*
4 *September 29, 2006, for the eligible counties*
5 *in the State of Oregon that have elected*
6 *under section 6908 of title 31, United States*
7 *Code, as added by section 3 of this Act, to*
8 *receive the county payment for fiscal year*
9 *2008;*

10 *(B) for fiscal year 2009, 90 percent of—*

11 *(i) the sum of the amounts paid for fis-*
12 *cal year 2006 under such section 102(a)(2)*
13 *for the eligible counties in the covered State*
14 *that have elected under such section 6908 to*
15 *receive a share of the State payment for fis-*
16 *cal year 2009; and*

17 *(ii) the sum of the amounts paid for*
18 *fiscal year 2006 under such section*
19 *103(a)(2) for the eligible counties in the*
20 *State of Oregon that have elected under such*
21 *section 6908 to receive the county payment*
22 *for fiscal year 2009;*

23 *(C) for fiscal year 2010, 81 percent of—*

24 *(i) the sum of the amounts paid for fis-*
25 *cal year 2006 under section such 102(a)(2)*

1 *for the eligible counties in the covered State*
2 *that have elected under such section 6908 to*
3 *receive a share of the State payment for fis-*
4 *cal year 2010; and*

5 *(ii) the sum of the amounts paid for*
6 *fiscal year 2006 under such section*
7 *103(a)(2) for the eligible counties in the*
8 *State of Oregon that have elected under such*
9 *section 6908 to receive the county payment*
10 *for fiscal year 2010; and*

11 *(D) for fiscal year 2011, 73 percent of—*

12 *(i) the sum of the amounts paid for fis-*
13 *cal year 2006 under such section 102(a)(2)*
14 *for the eligible counties in the covered State*
15 *that have elected under such section 6908 to*
16 *receive a share of the State payment for fis-*
17 *cal year 2011; and*

18 *(ii) the sum of the amounts paid for*
19 *fiscal year 2006 under such section*
20 *103(a)(2) for the eligible counties in the*
21 *State of Oregon that have elected under such*
22 *section 6908 to receive the county payment*
23 *for fiscal year 2011.*

24 (2) *COVERED STATE.*—*The term “covered State”*
25 *means each of the States of California, Louisiana, Or-*

1 *egon, Pennsylvania, South Carolina, South Dakota,*
2 *Texas, and Washington.*

3 (3) *ELIGIBLE COUNTY.*—*The term “eligible coun-*
4 *ty” has the meaning given that term in section 6908*
5 *of title 31, United States Code, as added by section*
6 *3 of this Act.*

7 (b) *TRANSITION PAYMENTS.*—*For each of fiscal years*
8 *2008 through 2011, in lieu of the payment amounts that*
9 *otherwise would have been made under section 6908 of title*
10 *31, United States Code, as added by section 3 of this Act,*
11 *the Secretary of the Treasury shall pay the adjusted amount*
12 *to each covered State and the eligible counties within the*
13 *covered State, as applicable.*

14 (c) *DISTRIBUTION OF ADJUSTED AMOUNT.*—*It is the*
15 *intent of Congress that the method of distributing the pay-*
16 *ments under subsection (b) among the counties in a covered*
17 *State (other than California) for each of fiscal years 2008*
18 *through 2011 be in the same proportion that the payments*
19 *were distributed to the eligible counties in that State in fis-*
20 *cal year 2006.*

21 (d) *DISTRIBUTION OF PAYMENTS IN CALIFORNIA.*—
22 *The following payments shall be distributed among the eli-*
23 *gible counties in the State of California in the same propor-*
24 *tion that payments under section 102(a)(2) of the Secure*
25 *Rural Schools and Community Self-Determination Act of*

1 2000 (16 U.S.C. 500 note; Public Law 106–393), as in effect
2 on September 29, 2006, were distributed to the eligible coun-
3 ties for fiscal year 2006:

4 (1) *Payments to the State of California under*
5 *subsection (b).*

6 (2) *The shares of the eligible counties of the State*
7 *payment for California under section 6908 of title 31,*
8 *United States Code, as added by section 3 of this Act,*
9 *for fiscal year 2011.*

10 (e) *TREATMENT OF PAYMENTS.*—*Any payment made*
11 *under subsection (b) shall be considered to be a payment*
12 *made under section 6908 of title 31, United States Code,*
13 *as added by section 3 of this Act, except that each eligible*
14 *county receiving a payment under such subsection or a por-*
15 *tion of such payment under subsection (c) or (d) shall re-*
16 *serve not less than 15 percent of the amount received for*
17 *expenditure in accordance with titles II and III of the Se-*
18 *cure Rural Schools and Community Self-Determination Act*
19 *of 2000 (16 U.S.C. 500 note; Public Law 106–393), as re-*
20 *quired by subsection (h)(3) of such section 6908.*

21 **SEC. 5. CONSERVATION OF RESOURCES FEES.**

22 (a) *ESTABLISHMENT OF FEES.*—

23 (1) *IN GENERAL.*—*Not later than 60 days after*
24 *the date of enactment of this Act, the Secretary of the*
25 *Interior by regulation shall establish—*

1 (A) a conservation of resources fee for pro-
2 ducing Federal oil and gas leases in the Gulf of
3 Mexico; and

4 (B) a conservation of resources fee for non-
5 producing Federal oil and gas leases in the Gulf
6 of Mexico.

7 (2) *PRODUCING LEASE FEE TERMS.*—The fee
8 under paragraph (1)(A)—

9 (A) subject to subparagraph (C), shall apply
10 to covered leases that are producing leases;

11 (B) shall be set at \$9 per barrel for oil and
12 \$1.25 per million Btu for gas, respectively, in
13 2005 dollars; and

14 (C) shall apply only to production of oil or
15 gas occurring—

16 (i) in any calendar year in which the
17 arithmetic average of the daily closing
18 prices for light sweet crude oil on the New
19 York Mercantile Exchange (NYMEX) ex-
20 ceeds \$34.73 per barrel for oil and \$4.34 per
21 million Btu for gas in 2005 dollars; and

22 (ii) on or after October 1, 2006.

23 (3) *NONPRODUCING LEASE FEE TERMS.*—The fee
24 under paragraph (1)(B)—

1 (A) subject to subparagraph (C), shall apply
2 to leases that are nonproducing leases;

3 (B) shall be set at \$3.75 per acre per year
4 in 2005 dollars; and

5 (C) shall apply on and after October 1,
6 2006.

7 (4) *TREATMENT OF RECEIPTS.*—Amounts re-
8 ceived by the United States as fees under this sub-
9 section shall be treated as offsetting receipts.

10 (b) *COVERED LEASE DEFINED.*—In this section the
11 term “covered lease” means a lease for oil or gas production
12 in the Gulf of Mexico that is—

13 (1) in existence on the date of enactment of this
14 Act;

15 (2) issued by the Department of the Interior
16 under section 304 of the Outer Continental Shelf Deep
17 Water Royalty Relief Act (43 U.S.C. 1337 note; Pub-
18 lic Law 104–58); and

19 (3) not subject to limitations on royalty relief
20 based on market price that are equal to or less than
21 the price thresholds described in clauses (v) through
22 (vii) of section 8(a)(3)(C) of the Outer Continental
23 Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

24 (c) *ROYALTY SUSPENSION PROVISIONS.*—The Sec-
25 retary of the Interior shall agree to a request by any lessee

1 *to amend any lease issued for Central and Western Gulf*
2 *of Mexico tracts during the period of January 1, 1998,*
3 *through December 31, 1999, to incorporate price thresholds*
4 *applicable to royalty suspension provisions, or amend exist-*
5 *ing price thresholds, in the amount of \$34.73 per barrel*
6 *(2005 dollars) for oil and for natural gas of \$4.34 per mil-*
7 *lion Btu (2005 dollars).*

8 **SEC. 6. SENSE OF CONGRESS ON DISTRIBUTION OF SECURE**
9 **RURAL SCHOOLS TRANSITION PAYMENTS TO**
10 **ELIGIBLE COUNTIES.**

11 *It is the sense of Congress that amounts made available*
12 *by a State to an eligible county under section 6908 of title*
13 *31, United States Code, as added by section 3 of this Act,*
14 *or under section 4 of this Act to support public schools in*
15 *that county should be in addition to, and not in lieu of,*
16 *general funds of the State made available to support public*
17 *schools in that county, and that the State should not adjust*
18 *education funding allocations to reflect the receipt of*
19 *amounts under such section 6908 or section 4.*

Amend the title so as to read: “A Bill to amend chapter 69 of title 31, United States Code, to provide for the transition to full payments under such chapter to units of general local government in which entitlement land is located, to provide transitional payments during fiscal years 2008 through 2011 to those States and counties previously entitled to payments under the Secure

Rural Schools and Community Self-Determination Act of 2000, and for other purposes.”.

Union Calendar No. 310

110TH CONGRESS
2^D SESSION

H. R. 3058

[Report No. 110-505, Part I]

A BILL

To amend chapter 69 of title 31, United States Code, to provide full payments under such chapter to units of general local government in which entitlement land is located, to provide transitional payments during fiscal years 2008 through 2012 to those States and counties previously entitled to payments under the Secure Rural Schools and Community Self-Determination Act of 2000, and for other purposes.

JANUARY 15, 2008

Committee on Agriculture discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed