118TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
118–665

LAKE WINNIBIGOSHISH LAND EXCHANGE ACT OF 2024

SEPTEMBER 12, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WESTERMAN, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 1657]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1657) to provide for a land exchange in the Chippewa National Forest, Minnesota, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Lake Winnibigoshish Land Exchange Act of 2024".

SEC. 2. DEFINITIONS.

In this Act:

(1) BWLT.—The term "BWLT" means Big Winnie Land and Timber, LLC, a Minnesota Limited Liability Corporation.

(2) MAP.—The term "Map" means the map entitled "Heig Land Exchange" and dated December 14, 2023.

(3) FEDERAL LAND.—The term "Federal land" means the approximately 17.5 acres of Federal land in Itasca County, Minnesota, generally depicted as the "Federal Parcel" on the Map.

(4) NON-FEDERAL LAND.—The term "non-Federal land" means the approximately 36.7 acres of non-Federal land in Itasca County, Minnesota, generally depicted as the "Non-Federal Parcel" on the Map.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Chief of the Forest Service.

SEC. 3. EXCHANGE OF LAND.

(a) EXCHANGE AUTHORIZED.—Subject to the provisions of this Act, if BWLT offers to convey the non-Federal land to the United States, the Secretary shall, not later than 1 year after the date on which such offer is made—

(1) accept the offer;

(2) convey to BWLT all right, title, and interest of the United States in and to the Federal land, excepting and reserving an easement for road access to National Forest System land west of the Federal Parcel; and

(3) accept from BWLT all right, title, and interest of BWLT in and to the non-Federal land.

(b) REQUIREMENTS.—The exchange under subsection (a) shall be—

(1) conditioned on title approval for the non-Federal land by the Secretary in accordance with subsection (e);

(2) conditioned on a cash equalization payment made by BWLT to the United States in accordance with subsection (c) if, under the appraisals conducted in accordance with this Act, it is determined that the value of the Federal land exceeds the value of the non-Federal land;

(3) conditioned on the satisfactory completion of a Phase I Environmental Site Assessment by BWLT, provided to the Secretary, in advance of the acceptance of the non-Federal parcel;

(4) subject to valid existing rights; and

(5) subject to any other terms and conditions the Secretary determines appropriate.

(c) EQUAL VALUE AND CASH EQUALIZATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the exchange under subsection (a) shall be for equal value or the values shall be equalized by a cash payment.

(2) EXCEPTION.—Notwithstanding any other provision of law, if the appraised value of the non-Federal land to be conveyed to the United States exceeds the appraised value of the Federal land, a cash equalization payment by the United States to BWLT is hereby waived and the amount of such waived payment shall be considered a donation by BWLT to the United States for all purposes of law.

(d) APPRAISALS.—

(1) IN GENERAL.—The value of the land to be exchanged under this Act shall be determined by appraisals conducted by an independent and qualified appraiser mutually agreed to by the Secretary and BWLT.

(2) APPRAISAL STANDARDS.—The Secretary shall complete appraisals of the land to be exchanged under this Act in accordance with—

(A) the Uniform Appraisal Standards for Federal Land Acquisitions; and

(B) the Uniform Standards of Professional Appraisal Practice.

(e) FORMAT.—Title to the non-Federal land to be conveyed to the United States under this Act shall be found sufficient by the Secretary pursuant to section 3111 of title 40, United States Code.

(f) MANAGEMENT OF ACQUIRED LAND.—The non-Federal land acquired by the United States under subsection (a) shall be—

(1) added to, and managed as part of, the Chippewa National Forest; and

(2) managed in accordance with the laws, rules, and regulations pertaining to National Forest System lands.

(g) MAP AND LEGAL DESCRIPTIONS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall finalize the Map and legal descriptions of all land to be conveyed under this Act.

(2) CONTROLLING DOCUMENT.—In the case of a discrepancy between the Map and a legal description, the legal description shall control.

(3) CORRECTIONS.—The Secretary and BWLT, by mutual agreement, may correct any minor errors in the Map or in the legal descriptions, including with respect to the boundaries of the Federal land and the non-Federal land.

(4) MAP ON FILE.—The Map and legal descriptions shall be on file and available for public inspection in appropriate offices of the Forest Service.

(h) CLOSING COSTS.—As a condition for the exchange under subsection (a), BWLT shall pay all closing costs associated with the exchange, including for—

(1) title insurance and title search;

(2) any applicable inspection fees, escrow fees, attorneys fees, and recording fees; and

(3) any environmental analysis or resource survey required under Federal law, regulation, or policy, including a Phase I Environmental Site Assessment of the non-Federal land.

(i) SURVEY.—

(1) IN GENERAL.—The exact acreages and legal descriptions of the Federal and non-Federal land to be exchanged under subsection (a) shall be determined by surveys satisfactory to the Secretary.

(2) COSTS OF SURVEY.—BWLT shall bear all costs associated with the surveys under paragraph (1).

PURPOSE OF THE LEGISLATION

The purpose of H.R. 1657 is to provide for a land exchange in the Chippewa National Forest, Minnesota, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

In and around federal land, small and often family-owned businesses provide robust outdoor recreation experiences. This is true in north-central Minnesota in the Chippewa National Forest and Lake Winnibigoshish. Bowen Lodge is a fishing and hunting resort located along the lake that has been welcoming guests since 1982. Currently, the lodge has a 20-year permit from the U.S. Forest Service (USFS) to operate and maintain a marina along the lakeshore. The resort would like to acquire approximately 17.5 acres of federal land adjacent to their property, which contains approximately 1,640 feet of shoreline and would provide permanent access to the lake.

H.R. 1657 would facilitate a land exchange between Bowen Lodge and the USFS. This legislation would provide certainty and predictability for the business, employees, and guests to ensure the continued use of the marina. In exchange for the land, the resort would convey approximately 36.7 acres of land on Lake Winnibigoshish to the USFS to be added to the Chippewa National Forest. The USFS proposed this acreage to better align with property boundaries and management of the exchange parcel. H.R. 1657 establishes an equal value exchange between the parcels. If necessary, a cash equalization payment between the parties will be pursued in order to equalize values.

Exchanging these parcels is a win-win providing permanent access to Lake Winnibigoshish for the Lodge while eliminating a checkerboard pattern of land ownership for USFS. The exchange builds upon the Committee's work this Congress to "right size" the federal estate by allowing for greater access and reducing checkerboard land ownership.

COMMITTEE ACTION

H.R. 1657 was introduced on March 17, 2023, by Representative Pete Stauber (R–MN). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Federal Lands. On September 19, 2023, the Subcommittee on Federal Lands held a hearing on the bill. On March 12, 2024, the Committee on Natural Resources met to consider the bill. The Subcommittee on Federal Lands was discharged from further consideration of H.R. 1657 by unanimous consent. Representative Pete Stauber (R–MN) offered an Amendment in the Nature of a Substitute designated Stauber ANS. The Amendment in the Nature of a Substitute was agreed to by unanimous consent. The bill, as amended, was ordered favorably reported to the House of Representatives by unanimous consent.

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Federal Lands held on September 19, 2023.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 names the bill the "Lake Winnibigoshish Land Exchange Act of 2024."

Section 2. Definitions

Section 2 provides definitions for important terms in the legislation, including the map facilitating the land exchange.

Section 3. Exchange of land

Section 3 directs an exchange of land between the USFS and Big Winnie Land and Timber (BWLT) within 1 year of BWLT offering to exchange land. Section 3 requires that the value of land exchanged is equal as determined by a mutually agreed upon independent and qualified appraiser, subject to valid existing rights, and provides a cash equalization payment if necessary. Section 3 also requires the USFS to manage lands acquired as part of the Chippewa National Forest. Section 3 clarifies that BWLT will bear any closing costs in addition to the costs of surveying the land.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

H.R. 1657, Lake Winnibigoshish Land Exchange Act of 2024
As ordered reported by the House Committee on Natural Resources on March 12, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	0	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	No	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 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and $500,000.

H.R. 1657 would direct the Forest Service to exchange 18 acres of federal land in the Chippewa National Forest for 37 acres of nonfederal land owned by a private corporation, if it seeks such an exchange. The land exchange would be subject to valid existing rights and would need to be finalized within one year of receiving a formal offer from the corporation.

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If the appraised value of the federal land exceeds that of the nonfederal parcel, the bill would require the corporation to pay an amount equal to the difference in value. In the opposite case, the excess value of the nonfederal land would be considered a donation by the corporation to the United States. The corporation also would be responsible for all administrative and legal costs associated with the land exchange.

Funds received by the Forest Service from cash equalization payments are recorded in the budget as offsetting receipts (that is, as reductions in direct spending) and deposited in the Treasury. Based on information from the Forest Service, CBO expects that the nonfederal land would have a higher value so no payments would be made.

Using information from the Forest Service, CBO estimates that under current law, the 18 acres of federal land will generate about $6,000 from a special-use permit over the 2024–2034 period. Those fees are recorded in the budget as offsetting receipts and can be spent without further appropriation. On that basis, CBO estimates that enacting H.R. 1657 would decrease receipts and their subsequent spending; thus, the net change in direct spending would be negligible over the 2024–2034 period.

The CBO staff contact for this estimate is Lilia Ledezma. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to provide for a land exchange in the Chippewa National Forest, Minnesota, and for other purposes.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

According to the Congressional Budget Office, H.R. 1657 contains no unfunded mandates as defined in the Unfunded Mandates Reform Act.

EXISTING PROGRAMS

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW

As ordered reported by the Committee on Natural Resources, H.R. 1657 would make no changes in existing law.