

## Calendar No. 662

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SENATE

{ REPORT  
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### LAKE FANNIN CONVEYANCE ACT

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NOVEMBER 26, 2018.—Ordered to be printed

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Ms. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

### R E P O R T

[To accompany S. 3245]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 3245) to require the Secretary of Agriculture to transfer certain National Forest System land in the State of Texas, 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 section 3 and insert the following:

#### SEC. 3. LAND CONVEYANCE.

(a) IN GENERAL.—Subject to the terms and conditions described in subsection (b), if the County submits to the Secretary an offer to acquire the National Forest System land for the fair market value, as determined by the appraisal under subsection (c), the Secretary shall convey the National Forest System land to the County.

(b) TERMS AND CONDITIONS.—The conveyance under subsection (a) shall be—

(1) subject to valid existing rights;

(2) made by quitclaim deed; and

(3) subject to any other terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(c) APPRAISAL.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall complete an appraisal to determine the fair market value of the National Forest System land.

(2) STANDARDS.—The appraisal under paragraph (1) shall be conducted in accordance with—

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

(B) the Uniform Standards of Professional Appraisal Practice.

(d) MAP.—

(1) AVAILABILITY OF MAP.—The map shall be kept on file and available for public inspection in the appropriate office of the Forest Service.

(2) CORRECTION OF ERRORS.—The Secretary may correct minor errors in the map.

(e) CONSIDERATION.—As consideration for the conveyance under subsection (a), the County shall pay to the Secretary an amount equal to the fair market value of the National Forest System land, as determined by the appraisal under subsection (c).

(f) SURVEY.—The exact acreage and legal description of the National Forest System land to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary and the County.

(g) USE.—As a condition of the conveyance under subsection (a), the County shall agree to manage the land conveyed under that subsection for public recreational purposes.

(h) COSTS OF CONVEYANCE.—As a condition on the conveyance under subsection (a), the County shall pay to the Secretary all costs associated with the conveyance, including the cost of—

- (1) the appraisal under subsection (c); and
- (2) the survey under subsection (f).

#### PURPOSE

The purpose of S. 3245 is to require the Secretary of Agriculture (Secretary) to transfer certain National Forest System land in the State of Texas to Fannin County (County) upon payment by the County of fair market value and subject to terms and conditions required by the Secretary.

#### BACKGROUND AND NEED

Fannin County is located in Northeast Texas on the Oklahoma border. Bonham, the county seat, is fifty-five miles northeast of Dallas.

In the 1930s, during to the Great Depression, Fannin County's rural economy was struggling and its population was becoming increasingly desperate. As part of President Roosevelt's New Deal, the Rural Resettlement Administration (RRA) was created to address work and relief efforts in rural areas . With Congressional assistance, the RRA launched the Lake Fannin project. It was one of the largest projects of the RRA in the country, employing over 400 workers from the County's relief rolls. Lake Fannin Park opened in 1938 as a recreational area.

Lake Fannin Park was originally administered by the Department of Agriculture's Soil Conservation Service and was transferred to the Forest Service in 1954. It is currently managed as part of the Caddo National Grasslands. For many years, Lake Fannin's cabins, public beaches, lodge, boathouse, and trail system served as a popular recreation spot for the local community. By the 1970s, however, the demand for the Depression-era cabins and lodge faded and the property began to fall into disrepair. Soon thereafter, the Forest Service restricted public access to the property due to safety concerns.

In 2001, under a Forest Service volunteer program called "Passport in Time," local volunteers launched a new effort to restore the lake and its historic buildings. That same year Lake Fannin was listed on the National Register of Historic Places, due in part to its significance as a representative example of the accomplishments of a New Deal agency. Although some success was achieved through these volunteer restoration efforts, the Forest Service terminated access to the park completely in 2013 due to hazard trees.

As a result, the County sued the Forest Service and decided to pursue acquisition of the property to complete the restoration and reopen the park for public recreation. Although a settlement agree-

ment was reached in March 2018 that granted volunteers access to about 340 acres of the property for restoration and maintenance projects, the County continues to seek full ownership of the 2,025-acre property. The Forest Service acknowledges it cannot operate and maintain the lake and the recreational facilities on the property on its own.

S. 3245 directs the Secretary to convey the property at fair market value to Fannin County so that the County restore and manage the property for public recreation.

#### LEGISLATIVE HISTORY

S. 3245 was introduced by Senators Cornyn and Cruz on July 19, 2018. The Subcommittee on Public Lands, Forests and Mining, held a hearing on S. 3245 on August 22, 2018.

Representative Ratcliff introduced companion legislation, H.R. 5525, in the House of Representatives on April 16, 2018. The bill was referred to the Committee on Agriculture.

In the 113th Congress, Representative Hall introduced similar legislation, H.R. 5603, in the House of Representatives on September 14, 2014. The bill was referred to the Committee on Agriculture.

The Senate Committee on Energy and Natural Resources met in open business session on October 2, 2018, and ordered S. 3245 favorably reported, as amended.

#### COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on October 2, 2018, by a majority voice vote of a quorum present, recommends that the Senate pass S. 3245, if amended as described herein.

#### COMMITTEE AMENDMENT

During the consideration of S. 3245, the Committee adopted an amendment to section 3 of the bill. The amendment strikes the no-cost conveyance of National Forest System lands to the County and replaces it with language directing the Secretary to convey the land to the County for fair market value as determined by an appraisal. As a condition of the conveyance, the amendment further requires the County to pay all costs associated with the conveyance and manage the lands for public recreation purposes.

#### SECTION-BY-SECTION ANALYSIS

##### *Sec. 1. Short title*

Section 1 provides a short title for the bill.

##### *Sec. 2. Definitions*

Section 2 provides key definitions.

##### *Sec. 3. Land conveyance*

Subsection (a) directs the Secretary to convey approximately 2,025 acres of Forest Service land to Fannin County, Texas, if the County submits an offer to acquire the land for the fair market value.

Subsection (b) provides that the conveyance be made by quickclaim deed and subject to valid existing rights and such terms and conditions as the Secretary requires.

Subsection (c) directs the Secretary to conduct an appraisal of the land, within 180 days of enactment, in accordance with the Uniform Appraisal Standards for Federal Land Acquisition and the Uniform Standards of Professional Appraisal Practice.

Subsection (d) requires Secretary to make the map publicly available and authorizes the Secretary to correct minor errors in the map.

Subsection (e) requires the County to pay the fair market value for the land, as determined by the appraisal.

Subsection (f) requires the exact acreage and legal description of the land to be conveyed to be determined by a survey that is satisfactory to the Secretary and the County.

Subsection (g) requires, as a condition of the conveyance, that the County manage the conveyed land for public recreation purposes.

Subsection (h) requires, as a condition of the conveyance, that the County pay all costs associated with carrying out the conveyance.

#### COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office:

S. 3245 would direct the Forest Service to convey roughly 2,000 acres of federal land to Fannin County, Texas, at fair market value if the county submits a request to purchase the land. CBO expects that under the bill, the county would submit such a request.

Because the bill would require Fannin County to pay all costs associated with the conveyance, CBO estimates that implementing the bill would have no significant effect on spending subject to appropriation.

According to the Forest Service, the affected land currently produces no income from mineral or geothermal leasing or from timber production, and the Forest Service does not expect any such income in the future. Under the bill, proceeds from the conveyance (which would be recorded in the budget as offsetting receipts, or reductions in direct spending) would be deposited into the Treasury; spending of those receipts would be subject to appropriation. Land values for similar tracts in and near Fannin County range from \$2,500 to \$4,500 per acre. On that basis, CBO estimates that enacting S. 3245 would reduce direct spending by \$7 million over the 2019–2028 period.

Because enacting the bill would reduce direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 3245 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 3245 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Janani Shankaran. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

## REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 3245. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 3245, as ordered reported.

## CONGRESSIONALLY DIRECTED SPENDING

S. 3245, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

## EXECUTIVE COMMUNICATIONS

The testimony provided by the Department of Agriculture at the August 22, 2018, hearing on S. 3245 follows:

STATEMENT OF GLENN CASAMASSA, ASSOCIATE DEPUTY  
CHIEF, NATIONAL FOREST SYSTEM, U.S. FOREST SERVICE,  
UNITED STATES DEPARTMENT OF AGRICULTURE

Chairman Lee, Ranking Member Wyden, members of the Subcommittee, thank you for the opportunity to present the views of the U.S. Department of Agriculture (USDA) regarding S. 3245—Lake Fannin Conveyance Act. I am Glenn Casamassa, Associate Deputy Chief for the National Forest System (NFS), USDA Forest Service.

S. 3245 would convey, without consideration, all right, title, and interest in approximately 2,025 acres of National Forest System land on the Caddo National Grassland in Texas to Fannin County, Texas for public purposes.

USDA appreciates the interest of Fannin County in acquiring these lands for sustainable operation of recreation facilities in the area. Forest Service staff have conducted economic studies in the past seeking ways to improve revenue under existing authorities as a means to maintain and operate the recreation facilities adjacent to the lake. Results of those studies show significant challenges in achieving this goal. We have engaged regularly with County officials, including twice in the past two months, exploring alternatives that could provide a shared solution without requiring legislation to convey the land. County officials have indicated support for a long-term historic property lease that could provide for sustainable management of the historic recreation facilities valued by the community, and tangible steps have been taken that could allow for implementation within the next several months. This or other potential alternatives could meet the County's interests, and would be consistent with longstanding federal policy that market value consideration should be paid to

the United States for conveyance of federal lands owned by all Americans.

USDA hopes to continue to work with the committee, the bill's sponsor, and the community on creative solutions for our shared goal of long-term sustainable management.

Thank you again for the opportunity to testify on this bill and I look forward to your questions.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill as ordered reported.

