

**REVENUE:** No revenue impact

**FISCAL:** No fiscal impact

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<b>Action:</b>	Be Adopted
<b>Vote:</b>	4 - 0 - 1
<b>Yeas:</b>	Bonamici, George, Shields, Hass
<b>Nays:</b>	0
<b>Exc.:</b>	Morse
<b>Prepared By:</b>	Linda Lindholm, Administrator
<b>Meeting Dates:</b>	5/12

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**WHAT THE MEASURE DOES:** Urges Congress to reauthorize Secure Rural Schools and Community Self-Determination Act of 2000 and to appropriate funding at 2008 levels for additional 10-year period through 2021.

**ISSUES DISCUSSED:**

- Reliance of rural counties on shared revenue from federal lands
- Declining rates of revenue sharing formula compensation
- Reduced funds for roads, schools, public safety, hospitals and other public services without reauthorization
- Greater percentage of federal lands in western United States
- Counties deprived of economic development opportunities and tax revenues

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In the early 1900s, the federal government established a system of public lands, placing privately owned lands into federal ownership managed predominately by the Bureau of Land Management. Congress recognized that its decision to secure timberlands in federal ownership would deprive counties of opportunities for economic development and tax revenues, so arrangements were made to compensate the adversely affected rural areas with a portion of the revenues received from federal lands. Oregon counties, dependent on and supportive of these federal lands, received and relied on shared revenues to provide essential funding for public services and schools.

The Secure Rural Schools and Community Self-Determination Act of 2000 (ACT)(Public Law 106-393) established a revenue-sharing formula based on historical timber receipts from Bureau of Land Management and United States Forest Service lands. The Act allowed counties to elect to receive payments based on the average payment for the highest three years between 1986 and 1990. Payments were to be used to support education, roads, and other services in 729 counties the Act assists in 41 states across the nation.

The Act expired in 2006 and was extended in 2007 for one year. In 2008, the Act was extended for an additional four years through the end of 2011, but at a declining percentage of base year revenue. Oregon received \$230 million in payments for 2008, with schools receiving \$33 million. The current reauthorization of county payments ends with one final payment at the end of 2011.

President Obama included reauthorization of county payments in his proposed FY 2012 budget and the House Budget Committee Chair, U.S. Representative Paul Ryan (R-WI), made reauthorization a priority in the proposed committee budget for federal year 2012. These actions acknowledge that county payments are an important lifeline to forested and rural communities in Oregon and across the nation. House Joint Memorial 25, urging Congress to pass legislation to reauthorize and extend the Act for an additional 10-year period, is a step toward eventual reauthorization.

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*This summary has not been adopted or officially endorsed by action of the committee.*