

109TH CONGRESS
1ST SESSION

S. _____

To amend the Endangered Species Act of 1973 to enhance the role of States in the recovery of endangered species and threatened species, to implement a species conservation recovery system, to establish certain recovery programs, to provide Federal financial assistance and a system of incentives to promote the recovery of species, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CRAPO introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Endangered Species Act of 1973 to enhance the role of States in the recovery of endangered species and threatened species, to implement a species conservation recovery system, to establish certain recovery programs, to provide Federal financial assistance and a system of incentives to promote the recovery of species, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Collaboration for the Recovery of Endangered Species
4 Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents of
6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—STATE GOVERNMENT ASSISTANCE

Sec. 101. Short title.

Sec. 102. Cooperation with the States.

TITLE II—PRIORITY FOR LISTING AND RECOVERY

Sec. 201. Short title.

Sec. 202. Determination and recovery of endangered species and threatened
species.

TITLE III—INCENTIVES FOR SPECIES RECOVERY

Sec. 301. Short title.

Sec. 302. Conservation banks.

Sec. 303. Exceptions.

Sec. 304. Technical corrections.

Sec. 305. Tax incentives.

TITLE IV—PROTECTIONS AND MEASURES IN FORESTS

Sec. 401. Protections and measures.

7 **TITLE I—STATE GOVERNMENT**
8 **ASSISTANCE**

9 **SEC. 101. SHORT TITLE.**

10 This title may be cited as the “State Government As-
11 sistance in Recovery Act”.

12 **SEC. 102. COOPERATION WITH THE STATES.**

13 Section 6 of the Endangered Species Act (16 U.S.C.
14 1535) is amended—

1 (1) in subsection (c), by adding at the end the
2 following:

3 “(3) COOPERATIVE AGREEMENTS.—

4 “(A) AGREEMENTS.—

5 “(i) IN GENERAL.—A cooperative
6 agreement entered into by the Secretary
7 under this subsection may provide for de-
8 velopment of a program for the conserva-
9 tion of—

10 “(I) a species determined to be a
11 candidate species under section
12 4(b)(3)(B)(iii); or

13 “(II) any other species that the
14 State and the Secretary agree is likely
15 to be determined to be an endangered
16 species or threatened species under
17 section 4(a)(1).

18 “(ii) APPLICATION OF TAKE STATE-
19 MENT.—After consultation on the coopera-
20 tive agreement in accordance with sub-
21 section (e)(2), any incidental take state-
22 ment issued on the cooperative agreement
23 shall apply to any species described in
24 clause (i) and to the State and any land-
25 owners enrolled in any program under the

1 cooperative agreement, without further
2 consultation (except any additional con-
3 sultation required under subsection (e)(2)),
4 if—

5 “(I) the species is subsequently
6 determined to be an endangered spe-
7 cies or a threatened species; and

8 “(II) the cooperative agreement
9 remains an adequate and active pro-
10 gram for the conservation of endan-
11 gered species and threatened species.

12 “(B) MONITORING.—A cooperative agree-
13 ment entered into by the Secretary under this
14 subsection may provide for monitoring, or as-
15 sistance in monitoring, the status of—

16 “(i) a candidate species in accordance
17 with section 4(b)(3)(C)(iii); or

18 “(ii) a species that is determined to be
19 recovered, and that is delisted, in accord-
20 ance with section 4.

21 “(4) ENROLLMENT OF LAND OR WATER
22 RIGHTS.—A cooperative agreement entered into by
23 the Secretary under this subsection that provides for
24 the enrollment of private land or water rights in any
25 program established by the cooperative agreement

1 shall ensure that the decision to enroll is voluntary
2 for each owner of the land or water rights.”;

3 (2) in subsection (d)(1)—

4 (A) in the first sentence—

5 (i) by striking “pursuant to subsection
6 (c) of this section”; and

7 (ii) by striking “or to assist” and all
8 that follows through “section 4(g)” and in-
9 serting “under paragraphs (1) or (2) of
10 subsection (c) or section 4(b)(5)(C), or to
11 address candidate species or other species
12 at risk and recovered species under sub-
13 section (c)(3)”;

14 (B) in subparagraph (F), by striking
15 “monitoring the status of candidate species”
16 and inserting “developing a conservation pro-
17 gram for, or monitoring the status of, candidate
18 species or other species determined to be at risk
19 under subsection (c)(3)”;

20 (3) by striking subsection (e) and inserting the
21 following:

22 “(e) REVIEW OF STATE PROGRAMS.—

23 “(1) IN GENERAL.—Any action taken by the
24 Secretary under this section shall be subject to peri-
25 odic review by the Secretary at least every 3 years.

1 “(2) APPLICABLE AUTHORITY.—A cooperative
2 agreement entered into by the Secretary under sub-
3 section (c) shall be subject to subsections (a)(2)
4 through (d) of section 7 (including implementing
5 regulations) only before the date on which—

6 “(A) the Secretary enters into the coopera-
7 tive agreement; or

8 “(B) the Secretary approves any renewal
9 of, or amendment to, the cooperative agreement
10 that—

11 “(i) addresses species that—

12 “(I) are determined to be endan-
13 gered species or threatened species;

14 “(II) are not addressed in the co-
15 operative agreement; and

16 “(III) may be affected by the co-
17 operative agreement; or

18 “(ii) contains new information about
19 any species addressed in the cooperative
20 agreement that the Secretary determines—

21 “(I) constitutes the best scientific
22 and commercial data available; and

23 “(II) indicates that the coopera-
24 tive agreement may have adverse ef-
25 fects on the species that had not been

1 “(I) to jeopardize the continued
2 existence of endangered species or
3 threatened species; or

4 “(II) to result in the destruction
5 or adverse modification of critical
6 habitat; and

7 “(ii) the cooperative agreement is not
8 amended or revised to incorporate a rea-
9 sonable and prudent alternative offered by
10 the Secretary under section 7(b)(3); or

11 “(B) the cooperative agreement—

12 “(i) has been suspended under para-
13 graph (3); and

14 “(ii) as of the date that is 180 days
15 after the date of the suspension, has not
16 been amended or revised and found by the
17 Secretary to constitute an adequate and
18 active program for the conservation of en-
19 dangered species and threatened species.”.

20 **TITLE II—PRIORITY FOR**
21 **LISTING AND RECOVERY**

22 **SEC. 201. SHORT TITLE.**

23 This title may be cited as the “Priority for Listing
24 and Recovery Act”.

1 **SEC. 202. DETERMINATION AND RECOVERY OF ENDAN-**
2 **GERED SPECIES AND THREATENED SPECIES.**

3 (a) IN GENERAL.—Section 4 of the Endangered Spe-
4 cies Act of 1973 (16 U.S.C. 1533) is amended—

5 (1) by striking the section heading and all that
6 follows through “(a) GENERAL.—(1) The Secretary”
7 and inserting the following:

8 **“SEC. 4. DETERMINATION AND RECOVERY OF ENDAN-**
9 **GERED SPECIES AND THREATENED SPECIES.**

10 “(a) IN GENERAL.—

11 “(1) FACTORS.—The Secretary”;

12 (2) in subsection (a)(3)(A), by striking clause
13 (i) and inserting the following:

14 “(i) shall designate any habitat of an endan-
15 gered species or a threatened species that is consid-
16 ered to be critical habitat in accordance with the pri-
17 ority system established under subsection (b); and”;
18 and

19 (3) in subsection (b)—

20 (A) by striking “(b) BASIS FOR DETER-
21 MINATIONS.—(1)(A) The Secretary” and insert-
22 ing the following:

23 “(b) BASIS, PRIORITY, AND SCHEDULE FOR DECI-
24 SIONS.—

25 “(1) BASIS FOR DECISIONS.—

26 “(A) IN GENERAL.—The Secretary”;

1 (B) in paragraph (1), by striking “(B) In
2 carrying out” and inserting the following:

3 “(B) CONSIDERATIONS.—In carrying out”;

4 (C) in paragraph (2), by striking “(2) The
5 Secretary” and inserting the following:

6 “(2) DESIGNATION OF CRITICAL HABITAT.—
7 The Secretary”;

8 (D) by redesignating paragraphs (5)
9 through (8) as paragraphs (7) through (10), re-
10 spectively;

11 (E) in paragraph (3)—

12 (i) by striking “(3)(A) To” and in-
13 sserting the following:

14 “(5) PETITION.—

15 “(A) IN GENERAL.—To”;

16 (ii) in subparagraph (B)—

17 (I) by striking “(B) Within 12
18 months” and inserting the following:

19 “(B) FINDINGS.—In accordance with the
20 schedule established under paragraph (4), and
21 not later than 3 years”;

22 (II) in clause (ii), by striking
23 “paragraph (5)” and inserting “para-
24 graph (7)”;

1 (III) in clause (iii)(I), by striking
2 “paragraphs (5) and (6)” and insert-
3 ing “paragraphs (7) and (8)”; and

4 (IV) by indenting clauses (i)
5 through (iii) and subclauses (I) and
6 (II) appropriately;

7 (iii) in subparagraph (C)—

8 (I) by striking “(C)(i) A peti-
9 tion” and inserting the following:

10 “(C) OTHER REQUIREMENTS.—

11 “(i) TREATMENT OF CERTAIN PETI-
12 TIONS.—A petition”;

13 (II) in clause (ii), by striking
14 “(ii) Any” and inserting the following:

15 “(ii) JUDICIAL REVIEW.—Any”; and

16 (III) in clause (iii)—

17 (aa) by striking “(iii) The
18 Secretary” and inserting the fol-
19 lowing:

20 “(iii) MONITORING.—The Secretary”;

21 and

22 (bb) by striking “paragraph
23 7” and inserting “paragraph
24 (9)”; and

25 (iv) in subparagraph (D)—

1 (I) by striking “(D)(i) To the
2 maximum extent practicable, within
3 90 days” and inserting the following:

4 “(D) SUBSTANTIAL SCIENTIFIC INFORMA-
5 TION.—

6 “(i) IN GENERAL.—In accordance
7 with the schedule described in paragraph
8 (4), and not later than 1 year”; and

9 (II) in clause (ii), by striking
10 “(ii) Within 12 months” and inserting
11 the following:

12 “(ii) INTENT TO PROCEED.—In ac-
13 cordance with the schedule described in
14 paragraph (4), and not later than 3
15 years”;

16 (F) in paragraph (4), by striking “(4) Ex-
17 cept as provided in paragraphs (5) and (6) of
18 this subsection” and inserting the following:

19 “(6) RULEMAKING PROCEDURES.—Except as
20 provided in paragraphs (7) and (8)”;

21 (G) in paragraph (7)(A) (as redesignated
22 by subparagraph (C))—

23 (i) in clause (i), by striking “, and”
24 and inserting a semicolon; and

1 (ii) by striking clause (ii) and insert-
2 ing the following:

3 “(ii) give actual notice of the proposed reg-
4 ulation (including the complete text of the regu-
5 lation) to, and invite the comment of—

6 “(I) the State agency in each State in
7 which the species is believed to occur;

8 “(II) each county or equivalent juris-
9 diction in which the species is believed to
10 occur; and

11 “(III) any county or municipality that
12 has administrative jurisdiction over the
13 area; and

14 “(iii) with respect to a regulation to des-
15 ignate or revise a designation of critical habi-
16 tat—

17 “(I) publish maps and coordinates
18 that describe, in detail, the specific areas
19 that meet the definition under section 3 of,
20 and are designated under subsection (a)(3)
21 as, critical habitat, and all field survey
22 data upon which the designation is based;
23 and

1 “(II) maintain the maps, coordinates,
2 and data on a publicly accessible Internet
3 page of the Department; and

4 “(iv) include in each of the notices re-
5 quired under this subparagraph a reference to
6 the Internet page described in clause (iii)(II);”;

7 (H) in paragraph (8) (as redesignated by
8 subparagraph (C))—

9 (i) in subparagraph (A), by striking
10 “paragraph (5)(A)(i)” and inserting “para-
11 graph (7)(A)(i)”;

12 (ii) in subparagraph (C), by striking
13 the matter preceding clause (i) and insert-
14 ing the following:

15 “(C) FINAL REGULATION.—Not later than
16 3 years after the date on which a recovery pro-
17 gram is commissioned, or in accordance with
18 the schedule described in paragraph (4), or not
19 later than 5 years after the date on which an
20 endangered species or threatened species is list-
21 ed under this Act, the Secretary shall publish a
22 final regulation designating the critical habitat
23 of the endangered species or threatened species,
24 unless the Secretary determines that—”; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(D) PROVISIONAL RECOVERY GOALS.—
4 The Secretary shall promulgate and publish
5 provisional recovery goals for a species at the
6 time of the listing of the species, which—

7 “(i) may set standards for delisting;

8 and

9 “(ii) shall remain in effect, unless re-
10 placed by an approved recovery plan.”;

11 (I) in paragraph (9) (as redesignated by
12 subparagraph (C)), by striking “(9) Neither
13 paragraph (4), (5), or (6)” and inserting the
14 following:

15 “(9) EMERGENCIES.—Neither paragraphs (6)
16 through (8)”;

17 (J) in paragraph (10) (as redesignated by
18 subparagraph (C)), by striking “(8) The publi-
19 cation” and inserting the following:

20 “(10) PUBLICATION OF REGULATIONS.—The
21 publication”;

22 (K) by inserting after paragraph (2) the
23 following:

1 “(3) PRIORITY FOR DETERMINATIONS, DES-
2 IGNATIONS, AND COMMISSIONING OF RECOVERY PRO-
3 GRAMS.—

4 “(A) IN GENERAL.—Not later than 270
5 days after the date of enactment of the Priority
6 for Listing and Recovery Act, the Secretary of
7 the Interior and the Secretary of Commerce,
8 after providing notice and an opportunity for
9 public comment, each shall establish a priority
10 system for making all decisions under this sub-
11 section, subsection (a), and subsection (f) re-
12 garding various species in the most efficient
13 and effective manner practicable.

14 “(B) CRITERIA FOR PRIORITIES.—The pri-
15 ority system shall assign priorities to species
16 based on—

17 “(i) the magnitude and immediacy of
18 risk of extinction (high, moderate, or low),
19 considering—

20 “(I) the level of risk to the spe-
21 cies based on the factors described in
22 subsection (a)(1);

23 “(II) the geographic distribution
24 of the species (wide or narrow),

1 “(III) the habitat specificity of
2 the species (broad or restricted); and

3 “(IV) the taxonomic distinctive-
4 ness of the species (monotypic genus,
5 species, subspecies, or distinct popu-
6 lation segment);

7 “(ii) the likelihood of achieving recov-
8 ery of the species;

9 “(iii) the quality and quantity of
10 available information, with the species pri-
11 ority increasing progressively as current
12 professional documentation is obtained for
13 each of the following in order of increasing
14 importance:

15 “(I) Distribution of the species
16 based on data describing presence and
17 absence.

18 “(II) Habitat types that correlate
19 with population density (defined as
20 various concentrations of individuals
21 of the species occupying an area).

22 “(III) Rates of reproduction, sur-
23 vival, or population growth.

1 “(IV) Habitat types that cor-
2 relate with rates of reproduction, sur-
3 vival, or population growth;

4 “(iv) the degree to which recovering
5 the species helps recover other species; and

6 “(v) the degree to which recovery ef-
7 forts would minimize conflicts with—

8 “(I) construction, development
9 projects, jobs, private property, or
10 other economic activities;

11 “(II) military training and oper-
12 ations; or

13 “(III) other human activities.

14 “(C) INCENTIVE FOR COLLABORATIVE
15 CONSERVATION.—

16 “(i) IN GENERAL.—The Secretary
17 shall assign highest priority to a decision
18 pending for any species if petitioned to do
19 so by a collaborative group that, in the
20 judgment of the Secretary, meets the de-
21 scription of an executive committee under
22 subsection (f)(3)(B).

23 “(ii) FACILITATION.—If a collabo-
24 rative group described in clause (i) uses
25 non-Federal funds to carry out actions

1 “(III) rules that will be promul-
2 gated with respect to status and crit-
3 ical habitat; and

4 “(ii) the amount of funds required for
5 each recovery plan to be funded under this
6 section.

7 “(C) PENDING ACTIONS.—The schedule es-
8 tablished under subparagraph (A) shall include
9 all decisions pending under this subsection, sub-
10 section (a), and subsection (f), including—

11 “(i) findings and decisions based on
12 status reviews, proposed determinations, or
13 final determinations for which a court has
14 issued an order prior to the date of enact-
15 ment of the Collaboration for the Recovery
16 of Endangered Species Act remanding to
17 the Secretary a decision, or setting a
18 schedule for the Secretary to act, or re-
19 quiring any other action regarding such
20 findings and decisions; and

21 “(ii) designations of critical habitat
22 for which a court has issued an order prior
23 to the date of enactment of the Collabora-
24 tion for the Recovery of Endangered Spe-
25 cies Act remanding to the Secretary a deci-

1 sion, or ordering the Secretary to act by a
2 specified date, or requiring any other ac-
3 tion regarding the designation of critical
4 habitat.

5 “(D) REMANDED ACTIONS.—No court
6 shall have the power to require the Secretary to
7 complete an action inconsistent with the sched-
8 ular established under subparagraph (A).

9 “(E) REVISIONS TO SCHEDULE.—The Sec-
10 retary may revise the schedule established
11 under subparagraph (A) during a fiscal year
12 by—

13 “(i) reviewing a petition received dur-
14 ing the fiscal year that the Secretary deter-
15 mines to be filed in a timely manner; or

16 “(ii) elevating the priority of a recov-
17 ery plan that receives financial or other
18 commitments from a non-Federal spon-
19 sor.”;

20 (4) by striking subsection (f) and inserting the
21 following:

22 “(f) RECOVERY PROGRAMS.—

23 “(1) IN GENERAL.—When a species is sched-
24 uled for recovery under subsection (b)(4), or upon
25 the petition of a collaborative group that qualifies as

1 an executive committee under paragraph (3), the
2 Secretary—

3 “(A) shall establish a recovery program for
4 that species, and other threatened or endan-
5 gered species if practicable, by assigning a re-
6 covery coordinator; and

7 “(B) may, based on the nature and extent
8 of actions required for recovery, also form a re-
9 covery team, an executive committee, or both.

10 “(2) RECOVERY TEAM.—

11 “(A) ESTABLISHMENT.—

12 “(i) IN GENERAL.—If the Secretary
13 establishes a recovery team, the team shall
14 consist of members of appropriate public
15 and private agencies and institutions re-
16 flecting individual perspectives and objec-
17 tiveness resulting from professional exper-
18 tise, and technical and academic experi-
19 ence, relating to the species or ecosystem
20 that is the subject of the recovery program.

21 “(ii) LACK OF BIAS.—In carrying out
22 the duties described in subparagraph (B),
23 members described in clause (i) shall pro-
24 vide their expertise in good faith and not

1 express the views or representations of any
2 organization.

3 “(B) DUTIES.—After considering the pro-
4 visional recovery goals set by the Secretary
5 under subsection (b)(8)(D) and identifying all
6 relevant conservation programs of State, local,
7 tribal, and private entities and foreign govern-
8 ments, a recovery team shall propose a recovery
9 plan to the executive committee.

10 “(C) FACA.—A recovery team established
11 under this subsection shall not be subject to the
12 Federal Advisory Committee Act (5 U.S.C.
13 App.).

14 “(3) EXECUTIVE COMMITTEE.—

15 “(A) IN GENERAL.—For each recovery
16 program, the Secretary shall establish an execu-
17 tive committee to propose collaborative efforts
18 to achieve the goals of the recovery plan.

19 “(B) MEMBERSHIP.—The membership of
20 an executive committee shall—

21 “(i) reflect a cross-section of interests
22 from appropriate public and private per-
23 sons, agencies, or institutions reflecting a
24 balance of viewpoints;

1 “(ii) to be selected for diversity of
2 knowledge and experience in natural re-
3 source issues and for commitment to col-
4 laborative decisionmaking;

5 “(iii) to the maximum extent prac-
6 ticable, be from communities within and
7 adjacent to the recovery plans geographic
8 area; and

9 “(iv) have an economic, social, or pro-
10 fessional interest in the recovery of the
11 species.

12 “(C) DUTIES.—An executive committee
13 shall—

14 “(i) review the proposed recovery plan
15 and make recommendations on collabo-
16 rative efforts that may be undertaken to
17 implement and achieve the goals of the re-
18 covery plan;

19 “(ii) consult with the applicable recov-
20 ery team, as necessary;

21 “(iii) consult with State, local, and
22 tribal governments and landowners on op-
23 portunities for implementation of the re-
24 covery plan; and

1 “(iv) after approval by the Secretary
2 of the applicable recovery plan, publish a
3 work plan describing the collaborative and
4 voluntary efforts that the executive com-
5 mittee recommends to contribute to the re-
6 covery of the applicable species.

7 “(D) FACA.—An executive committee es-
8 tablished under this subsection shall not be sub-
9 ject to the Federal Advisory Committee Act (5
10 U.S.C. App.).

11 “(4) RECOVERY COORDINATOR.—The Secretary
12 shall assign for each recovery program, by direct em-
13 ployment or cooperative arrangement with an appro-
14 priate Federal department or agency, a full-time re-
15 covery coordinator—

16 “(A) to serve as the primary staff to im-
17 plement the recovery plan and manage program
18 operations for the executive committee, if appli-
19 cable; and

20 “(B) to the maximum extent practicable,
21 to ensure that relevant Federal and State pro-
22 grams are coordinated to support programs to-
23 ward the recovery goals of the recovery plan.

24 “(5) RECOVERY PLAN.—

1 “(A) IN GENERAL.—A recovery plan
2 shall—

3 “(i) be proposed by a recovery team
4 and an executive committee, in a case in
5 which a recovery team and executive com-
6 mittee are involved in the recovery pro-
7 gram;

8 “(ii) be approved by the Secretary;
9 and

10 “(iii) include—

11 “(I) a description of site-specific
12 recovery actions that may be nec-
13 essary to achieve the goal of the plan
14 for the conservation of the species, in-
15 cluding appropriate financial assist-
16 ance and incentive programs for land-
17 owners;

18 “(II) guidance on how the geo-
19 graphic distribution of site-specific re-
20 covery actions can enhance the effec-
21 tiveness of the actions in promoting
22 recovery; and

23 “(III) objective, measurable cri-
24 teria (including population size and
25 geographic range) that, when met,

1 would result in a determination, in ac-
2 cordance with this section, that the
3 status of the species should be
4 changed from an endangered species
5 or a threatened species, or that the
6 species should be removed from the
7 list.

8 “(B) EFFECT OF PLAN.—A recovery plan
9 approved by the Secretary—

10 “(i) shall be non-binding and advisory;
11 and

12 “(ii) may be amended by the Sec-
13 retary or by recommendation of the execu-
14 tive committee and approval by the Sec-
15 retary.

16 “(C) RELATIONSHIP TO CONSERVATION
17 PROGRAMS.—The Secretary shall—

18 “(i) acknowledge appropriate existing
19 conservation programs; and

20 “(ii) coordinate with all governmental
21 agencies to incorporate those programs in
22 a recovery plan.

23 “(6) PERIODIC REVIEW.—

1 “(A) IN GENERAL.—The Secretary shall
2 periodically review the progress of all recovery
3 programs.

4 “(B) INQUIRY.—If the Secretary finds that
5 a recovery program is not making progress to-
6 wards recovery of the species or is not acting
7 within the guidance of the recovery plan, the
8 Secretary shall submit to the relevant executive
9 committee a written inquiry for an explanation
10 that requests specific remedial actions.

11 “(C) RESPONSE.—The executive com-
12 mittee shall have 180 days from the date of re-
13 ceipt of the inquiry to fulfill the request.

14 “(D) DISPUTE RESOLUTION.—If the exec-
15 utive committee disputes the findings of the
16 Secretary—

17 “(i) the Secretary shall, in consulta-
18 tion with an appropriate professional soci-
19 ety, appoint a technical reviewer;

20 “(ii) the executive committee shall, in
21 consultation with an appropriate profes-
22 sional society, appoint a technical reviewer;

23 “(iii) the 2 technical reviewers shall
24 appoint a third technical reviewer;

1 “(iv) the technical reviewers, based on
2 majority opinion, shall make a rec-
3 ommendation to the Secretary as to wheth-
4 er the program is achieving progress to-
5 ward recovery and whether remedial ac-
6 tions are necessary; and

7 “(v) having considered the rec-
8 ommendation of the technical reviewers,
9 the Secretary may—

10 “(I) require remedial actions of
11 the executive committee;

12 “(II) decommission the recovery
13 program; or

14 “(III) take other appropriate ac-
15 tions.”;

16 (5) in subsection (g)(2), by striking “paragraph
17 7 of subsection (b) of this section” and inserting
18 “subsection (b)(9)”;

19 (6) in subsection (h)(1), by striking “subsection
20 (b)(3) of this section” and inserting “subsection
21 (b)(5)”;

22 (7) in subsection (i)—

23 (A) by striking “subsection (b)(5)(A)(ii)”
24 and inserting “subsection (b)(7)(A)(ii)”;

1 (B) by striking “subsection (b)(3)” and in-
2 serting “subsection (b)(5)”.

3 (b) CONFORMING AMENDMENT.—The table of con-
4 tents in the first section of the Endangered Species Act
5 of 1973 (16 U.S.C. 1531 note) is amended by striking
6 the item relating to section 4 and inserting the following:

“Sec. 4. Determination and recovery of endangered species and threatened
species.”.

7 **TITLE III—INCENTIVES FOR**
8 **SPECIES RECOVERY**

9 **SEC. 301. SHORT TITLE.**

10 This title may be cited as the “Incentives for Species
11 Recovery Act”.

12 **SEC. 302. CONSERVATION BANKS.**

13 (a) IN GENERAL.—The Endangered Species Act of
14 1973 (16 U.S.C. 1531 et seq.) is amended by inserting
15 after section 4 the following:

16 **“SEC. 4A. CONSERVATION BANKS.**

17 “(a) PURPOSES.—The purposes of this section are—

18 “(1) to conserve, restore, and enhance habitat
19 for the conservation and recovery of—

20 “(A) candidate species;

21 “(B) threatened species;

22 “(C) endangered species; and

23 “(D) species of special concern; and

1 “(2) to provide market incentives that promote
2 conservation of species on private property.

3 “(b) DEFINITIONS.—In this section:

4 “(1) CONSERVATION BANK.—The term ‘con-
5 servation bank’ means an area of land, water, or
6 other habitat (not necessarily contiguous) that is
7 managed—

8 “(A) in perpetuity, or for another appro-
9 priate period, under an enforceable legal instru-
10 ment; and

11 “(B) for purposes of conservation and re-
12 covery of—

13 “(i) a habitat;

14 “(ii) a candidate species, threatened
15 species, or endangered species; or

16 “(iii) a species of special concern.

17 “(2) CREDIT.—

18 “(A) IN GENERAL.—The term ‘credit’
19 means the unit of currency of a conservation
20 bank, generated by preserving or restoring habi-
21 tat in a conservation bank agreement, as estab-
22 lished through a quantification of the conserva-
23 tion values of a species or habitat.

1 “(B) CONSERVATION VALUES.—Conserva-
2 tion values described in subparagraph (A)
3 shall—

4 “(i) be determined by the Secretary
5 for each conservation bank; and

6 “(ii) be converted into a fixed number
7 of credits that may be bought, sold, or
8 traded to offset the impact of Federal,
9 State, tribal, local, or private activities.

10 “(3) SERVICE AREA.—

11 “(A) IN GENERAL.—The term ‘service
12 area’ means an area identified in a conservation
13 bank agreement.

14 “(B) INCLUSIONS.—The term ‘service
15 area’ includes a soil type, watershed, habitat
16 type, political boundary, an area described in a
17 federally-recognized conservation plan, and an
18 area designated for conservation purposes in
19 which a credit may be used to offset an effect
20 of a project.

21 “(c) ESTABLISHMENT AND MANAGEMENT OF CON-
22 SERVATION BANKS.—

23 “(1) ESTABLISHMENT.—A conservation bank
24 under this section may be established by any private
25 landowner that—

1 “(A) submits to the Secretary an applica-
2 tion, in accordance with any regulations pro-
3 mulgated by the Secretary;

4 “(B) demonstrates that the affected area
5 of land, water, or other habitat is managed
6 under an enforceable legal instrument; and

7 “(C) contributes to the conservation of the
8 candidate species, threatened species, endan-
9 gered species, or species of special concern that
10 is the subject of the conservation bank.

11 “(2) CERTAIN PROPERTY OWNERS.—A property
12 owner that uses Federal or State funding (including
13 funding for technical assistance), such as funding
14 under the Farm Security and Rural Investment Act
15 of 2002 (Public Law 107–171; 116 Stat. 134) or an
16 amendment made by that Act, may submit an appli-
17 cation to the Secretary under paragraph (1)(B)(i).

18 “(3) DETERMINATIONS REGARDING APPLICA-
19 TIONS.—The Secretary shall approve or disapprove a
20 proposed conservation bank under paragraph (1)(B)
21 not later than 180 days after the date on which the
22 application relating to the conservation bank is sub-
23 mitted to the Secretary under paragraph (1)(B)(i).

24 “(4) MANAGEMENT.—

1 “(A) IN GENERAL.—A conservation bank
2 established under paragraph (1) may be man-
3 aged, in accordance with a conservation bank
4 agreement under subparagraph (B), by—

5 “(i) a State, in accordance with a
6 process of the State that has been ap-
7 proved by the Secretary;

8 “(ii) the holder of the conservation
9 bank;

10 “(iii) a party other than the holder of
11 the conservation bank, as specified in the
12 conservation bank agreement; or

13 “(iv) a party that acquires property
14 rights relating to the conservation bank.

15 “(B) CONSERVATION BANK AGREE-
16 MENTS.—

17 “(i) IN GENERAL.—The holder of a
18 conservation bank under this section
19 shall—

20 “(I) establish an agreement that
21 describes the proposed management of
22 the conservation bank; and

23 “(II) submit the agreement to
24 the Secretary for approval.

1 “(ii) APPROVAL BY SECRETARY.—As
2 soon as practicable after the date on which
3 the Secretary receives an agreement under
4 clause (i)(II), the Secretary shall approve
5 or disapprove the agreement.

6 “(iii) AMENDMENTS.—An agreement
7 approved under clause (ii) may be amend-
8 ed on the approval of—

9 “(I) each party to the agreement;
10 and

11 “(II) the Secretary.

12 “(iv) NULLIFICATION OF AGREE-
13 MENT.—The Secretary shall nullify an
14 agreement approved under clause (ii) on a
15 determination by the Secretary that—

16 “(I) the holder of the conserva-
17 tion bank has been convicted of—

18 “(aa) making a materially
19 false statement on a bank appli-
20 cation or a report to the Sec-
21 retary; or

22 “(bb) any other offense that
23 demonstrates that the holder is
24 unfit to manage the conservation
25 bank; or

1 “(II)(aa) the holder of the con-
2 servation bank has irremediably failed
3 to carry out the duties of the holder;
4 and

5 “(bb) the failure was not the re-
6 sult of a drought, hurricane, tornado,
7 or other event outside the reasonable
8 control of the holder.

9 “(d) RECOVERY PLANS AND INCENTIVE PRO-
10 GRAMS.—In developing and implementing recovery plans
11 and incentive programs, the Secretary shall—

12 “(1) take into consideration the practicability of
13 establishing conservation banks; and

14 “(2) not later than 180 days after the date of
15 enactment of this section, promulgate regulations to
16 manage conservation banks in a manner that bal-
17 ances—

18 “(A) the biological conditions of candidate
19 species, threatened species, and endangered spe-
20 cies, species of special concern, and habitat;
21 with

22 “(B) economic free market principles to
23 ensure value to landowners through a tradable
24 credit program.

1 “(e) REGULATIONS.—Regulations promulgated under
2 subsection (d)(2) shall include provisions relating to—

3 “(1) conservation and recovery goals;

4 “(2) activities that may be carried out in a con-
5 servation bank;

6 “(3) design, operation, and management to en-
7 sure the viability of conservation banks;

8 “(4) the demonstration of adequate legal con-
9 trol of property proposed to be included in the con-
10 servation bank, such as a title, license, easement, or
11 option relating to the property;

12 “(5) criteria for determining—

13 “(A) the number of credits allocated to a
14 conservation bank under subsection (f)(1);

15 “(B) methods for accounting for, and re-
16 cording, the creation and use of credits; and

17 “(C) a timeline with respect to the transfer
18 and accounting of credits;

19 “(6) the determination of the boundaries of
20 service areas;

21 “(7) the applicability of, and compliance with,
22 sections 7 and 10;

23 “(8) the monitoring of, and reporting require-
24 ments for, conservation banks;

1 “(9) financial requirements to ensure the viabil-
2 ity of conservation banks;

3 “(10) procedures for resolving disputes relating
4 to conservation bank management, including proce-
5 dures for providing notices; and

6 “(11) remedies for disputes that are not re-
7 solved under a procedure described in paragraph
8 (10).

9 “(f) TRANSFER OF CREDITS BY CONSERVATION
10 BANKS.—

11 “(1) ALLOCATION.—The number of credits allo-
12 cated for transfer by a conservation bank shall be
13 determined by biological data that reflects—

14 “(A) the quality of habitat preserved or re-
15 stored in the conservation bank;

16 “(B) the necessary amount of habitat
17 needed to be preserved or restored within the
18 entire service area of the conservation bank;
19 and

20 “(C) the population of candidate species,
21 threatened species, and endangered species, and
22 species of special concern, that the conservation
23 bank supports or could support.

24 “(2) CREDIT TRANSFER APPROVAL PROCESS.—

1 “(A) IN GENERAL.—As soon as practicable
2 after the date of enactment of this section, the
3 Secretary shall establish a standard credit
4 transfer approval process for each service area
5 to facilitate efficient and prompt transactions
6 relating to credits.

7 “(B) REQUIREMENTS.—The process estab-
8 lished under subparagraph (A) shall provide for
9 credit transfers for purposes of—

10 “(i) compliance with an injunctive
11 order of a court;

12 “(ii) meeting a requirement under
13 subsection (a) or (b) of section 7, or sec-
14 tion 10(a)(1); and

15 “(iii) out-of-kind mitigation under
16 subparagraph (C).

17 “(C) OUT-OF-KIND MITIGATION.—

18 “(i) DEFINITION OF OUT-OF-KIND.—
19 In this subparagraph, the term ‘out-of-
20 kind’, with respect to mitigation, means
21 mitigation involving the same species or
22 habitats, but in a different service area.

23 “(ii) DETERMINATION BY SEC-
24 RETARY.—The Secretary may allow out-of-
25 kind mitigation through the use of credits

1 if the Secretary determines that out-of-
2 kind mitigation—

3 “(I) is a desirable ecological al-
4 ternative to in-kind mitigation; and

5 “(II) is practicable for an ex-
6 panded market of potential buyers of
7 credits.

8 “(iii) PREFERENCE.—Notwith-
9 standing any other provision of this sub-
10 paragraph, the Secretary shall give pref-
11 erence to in-kind mitigation to the max-
12 imum extent practicable.

13 “(iv) EFFECT OF SUBPARAGRAPH.—
14 Nothing in this subparagraph affects any
15 requirement relating to in-kind mitigation.

16 “(D) LIMITATION.—In establishing a proc-
17 ess under this subsection, the Secretary shall
18 not—

19 “(i) regulate the price of any credit
20 transfer; or

21 “(ii) limit participation in the credit
22 transfer process by any party.

23 “(3) CREDIT TRANSFERS.—A conservation
24 bank may transfer credits of the conservation
25 bank—

1 “(A) on the date on which the Secretary
2 approves the conservation bank under sub-
3 section (c)(3); or

4 “(B) before the date described in subpara-
5 graph (A), if the holder of the conservation
6 bank demonstrates to the satisfaction of the
7 Secretary that—

8 “(i) the conservation bank agreement
9 adequately provides for each activity pro-
10 posed to be carried out relating to the con-
11 servation bank; and

12 “(ii) a timetable relating to the activi-
13 ties described in clause (i) has been ap-
14 proved by the Secretary.

15 “(4) USE OF PROFITS BY CERTAIN HOLDERS.—
16 A holder of a conservation bank described in sub-
17 section (c)(2) may retain any profits from the trans-
18 fer of a credit under this subsection.

19 “(g) INTEGRATION WITH OTHER CONSERVATION
20 PLANS.—

21 “(1) IN GENERAL.—Except as provided in para-
22 graph (2), to the maximum extent practicable, the
23 creation of a conservation bank shall be integrated
24 with conservation plans developed or being developed
25 under section 10 if the conservation bank—

1 “(A) meets the ecological criteria of the
2 habitat conservation plan; and

3 “(B) provides greater economic benefits
4 compared with other forms of mitigation of
5 habitat destruction.

6 “(2) EFFECT OF SUBSECTION.—Notwith-
7 standing paragraph (1), nothing in this subsection
8 requires any person operating a conservation bank
9 in existence on the date of enactment of this section
10 to submit an application for the conservation bank
11 under this section.

12 “(h) JUDICIAL REVIEW.—

13 “(1) IN GENERAL.—Any party to an agreement
14 entered into with respect to a conservation bank may
15 bring a civil action in a United States district court
16 for a breach of the agreement.

17 “(2) ACTIONS BY COURT.—A United States dis-
18 trict court described in paragraph (1) may—

19 “(A) issue such awards and judgments, in-
20 cluding equitable relief, as the court determines
21 to be appropriate; and

22 “(B) award costs of litigation to the pre-
23 vailing party.

24 “(3) CERTAIN DEFENDANTS.—

1 (ii) by redesignating clauses (ii) and
2 (iii) as subclauses (I) and (II), respectively,
3 and indenting the subclauses appropriately;

4 (iii) in the matter preceding subclause
5 (I) (as redesignated by clause (i)), by strik-
6 ing “that specifies—” and inserting the
7 following: “that—

8 “(i) summarizes the potential for and degree of
9 incidental take that may be reasonably expected to
10 occur under the proposed action and habitat con-
11 servation plan; and

12 “(ii) specifies—”;

13 (iv) in subclause (I) (as redesignated
14 by clause (i)), by striking “and the fund-
15 ing” and all that follows through the end
16 of the subclause and inserting “the fund-
17 ing that will be available to implement
18 those steps, and reports describing the im-
19 plementation and results of the conserva-
20 tion plan;”;

21 (v) in subclause (II) (as redesignated
22 by clause (i)), by striking “and” at the
23 end; and

24 (vi) by adding at the end the fol-
25 lowing:

1 “(III) objective, measurable biological
2 goals to be achieved for species covered by the
3 plan and specific measures for achieving the
4 goals consistent with subparagraph (B);

5 “(IV) measures the applicant will take to
6 monitor impacts of the plan on covered species
7 and the effectiveness of the measures in achiev-
8 ing the biological goals of the plan; and

9 “(V) adaptive management provisions nec-
10 essary to respond to all reasonably foreseeable
11 changes in circumstances that could appreciably
12 reduce the likelihood of the survival and recov-
13 ery of any species covered by the plan.”;

14 (B) in subparagraph (B)—

15 (i) in the matter preceding clause (i),
16 by striking “If” and inserting “The Sec-
17 retary shall issue a permit to a conserva-
18 tion plan if”;

19 (ii) in clause (v)—

20 (I) by striking “, if any,”;

21 (II) by striking “subparagraph
22 (A)(iv)” and inserting “subparagraph
23 (A)(ii)”; and

24 (III) by striking the semicolon at
25 the end and inserting a period; and

1 (iii) by striking the matter following
2 clause (v); and

3 (C) by striking subparagraph (C) and in-
4 sserting the following:

5 “(C) VOLUNTARY CONTRIBUTIONS TO RE-
6 COVERY.—

7 “(i) IN GENERAL.—If a proposed con-
8 servation plan implements a site-specific
9 recovery action from a relevant approved
10 recovery plan, the Secretary shall include
11 such terms and conditions as the Secretary
12 considers necessary to reduce or offset the
13 impacts of incidental taking or otherwise
14 comply with the requirements of paragraph
15 (2)(B), such that—

16 “(I) the effect of the terms and
17 conditions are approximately propor-
18 tional in extent to the effect of the in-
19 cidental take specified in the con-
20 servation plan under subparagraph
21 (A)(i); and

22 “(II) the terms and conditions
23 are feasible and consistent with the
24 goals of the plan to the maximum ex-
25 tent practicable.

1 “(ii) ADDITIONAL FINDING.—If, in
2 addition to a finding described in subpara-
3 graph (B), the Secretary finds that the
4 proposed conservation plan will implement
5 1 or more site-specific recovery actions
6 from a relevant approved recovery plan, so
7 long as the contribution to recovery is at
8 least proportional to the potential for and
9 degree of incidental take that may reason-
10 ably be expected to occur under the plan,
11 the application relating to, and issuance of
12 a permit for, the plan shall be considered
13 to be exempt from—

14 “(I) section 7; and

15 “(II) the National Environmental
16 Policy Act of 1969 (42 U.S.C. 4321
17 et seq.).

18 “(iii) EFFECT OF PARAGRAPH.—This
19 paragraph does not limit the authority of
20 the Secretary to require greater than acre-
21 for-acre mitigation when necessary to ad-
22 dress the extent of the impacts.”; and

23 (2) by adding at the end the following:

24 “(3) QUALIFICATION FOR PROVISIONAL PER-
25 MIT.—

1 “(A) IN GENERAL.—An applicant shall
2 qualify for a provisional permit with respect to
3 a species if, as of the date on which the appli-
4 cant submits the application to the Secretary
5 under this subsection—

6 “(i) the applicant voluntarily imple-
7 ments the terms of the proposed applica-
8 tion under paragraph (2) during the pend-
9 ency of review; and

10 “(ii) the applicant has completed a
11 field survey to determine the area occupied
12 by the species.

13 “(B) EFFECT OF PERMIT.—A provisional
14 permit under subparagraph (A) shall—

15 “(i) authorize existing activities (ex-
16 cept an activity that requires ground clear-
17 ing) relating to the relevant land; and

18 “(ii) remain in effect until the date on
19 which a permit is issued under this sub-
20 section.

21 “(C) ADMISSIBILITY OF INFORMATION.—
22 Information submitted by an applicant in an
23 application under this paragraph shall not be
24 admissible in any action relating to a prohibited
25 act under section 9.

1 “(4) AGRICULTURAL AGREEMENTS.—If a land-
2 owner enters into an agreement under title XII of
3 the Food and Security Act of 1985 (16 U.S.C. 3831
4 et. seq.) and the conservation activities of the land-
5 owner include 1 or more site-specific recovery ac-
6 tions from an approved recovery plan resulting in a
7 net conservation benefit for a listed species, the Sec-
8 retary shall permit the incidental take of that spe-
9 cies—

10 “(A) for the duration of the agreement;
11 and

12 “(B) within the area in which the net con-
13 servation benefits will accrue, so long as the
14 contribution to recovery is at least proportional
15 to the potential for and degree of incidental
16 taking that may reasonably be expected to
17 occur in the agreement.

18 “(5) LIABILITY WHILE PERFORMING RECOVERY
19 ACTIONS.—The Secretary shall permit the incidental
20 take of a species that—

21 “(A) occurs or may occur as a result of the
22 landowner implementing a site-specific recovery
23 action of an approved recovery plan in a man-
24 ner that contributes to the conservation of the
25 species; and

1 “(B) occurs or may occur within the area
2 in which the net conservation benefits will ac-
3 cruce, so long as the contribution to recovery is
4 at least proportional to the potential for and de-
5 gree of incidental taking that may reasonably
6 be expected to occur.

7 “(6) REQUIREMENTS APPLICABLE UPON COM-
8 PLIANCE WITH PERMIT.—

9 “(A) IN GENERAL.—Except as otherwise
10 provided in this paragraph, if the holder of a
11 permit under this subsection for any purpose
12 other than a scientific purpose is in compliance
13 with the terms and conditions of the permit (in-
14 cluding any conservation plan or agreement in-
15 corporated by reference in the permit), as deter-
16 mined by the Secretary, the Secretary shall not
17 require the holder to adopt any minimization,
18 mitigation, or other measure with respect to
19 any species that the Secretary determines to be
20 adequately covered by the permit during the
21 term of the permit without the consent of the
22 holder.

23 “(B) IDENTIFIED CHANGE OF CIR-
24 CUMSTANCE.—If a change of circumstance that
25 is identified in the permit occurs, as determined

1 by the Secretary, the Secretary may require the
2 holder to carry out only such additional mini-
3 mization, mitigation, or other measures as are
4 provided under the permit with respect to the
5 circumstance.

6 “(C) UNIDENTIFIED CHANGE OF CIR-
7 CUMSTANCE.—If a change of circumstance that
8 is not identified in the permit occurs, the Sec-
9 retary may require the holder to carry out only
10 additional minimization, mitigation, and other
11 measures that do not involve—

12 “(i) the commitment of any additional
13 uncommitted land, water, or financial com-
14 pensation; or

15 “(ii) the imposition of additional re-
16 strictions on the use of any land, water, or
17 other natural resource that is otherwise
18 available for development or use under the
19 original terms and conditions of the per-
20 mit.

21 “(D) BURDEN OF PROOF.—The Secretary
22 shall have the burden of proof in demonstrating
23 and documenting, using the best scientific and
24 commercial data available, the occurrence of

1 any changed circumstances for the purpose of
2 this paragraph.

3 “(E) ASSURANCES.—

4 “(i) RECENT PERMITS.—All permits
5 issued under this subsection on or after
6 the date of enactment of this paragraph,
7 other than permits issued for scientific
8 purposes, shall contain assurances regard-
9 ing requirements specified in subpara-
10 graphs (B) through (D) of this paragraph
11 and subparagraphs (A) and (B) of para-
12 graph (5).

13 “(ii) OLDER PERMITS.—All permits
14 issued under this subsection on or after
15 March 25, 1998, and before the date of en-
16 actment of this paragraph, other than per-
17 mits issued for scientific purposes, shall be
18 governed by the applicable portions of sub-
19 sections (b) through (d) of section 17.22,
20 and subsections (b) through (d) of section
21 17.32, of title 50, Code of Federal Regula-
22 tions (as in effect as of the date of enact-
23 ment of this paragraph).

24 “(7) REVOCATION OF PERMIT.—

1 “(A) IN GENERAL.—The Secretary shall
2 revoke a permit issued under this subsection if
3 the Secretary determines that the holder of the
4 permit is not in compliance with the terms and
5 conditions of the permit.

6 “(B) REVOCATION OF PERMIT THAT IN-
7 CLUDES CONSERVATION PLAN.—The Secretary
8 may revoke a permit that includes a conserva-
9 tion plan described in this subsection due to a
10 change in circumstances only if the Secretary—

11 “(i) determines that continuing the
12 activities under the permit would be incon-
13 sistent with paragraph (2);

14 “(ii) not later than 60 days before the
15 date on which the Secretary revokes the
16 permit, provides a notice of revocation to
17 the holder of the permit; and

18 “(iii) is unable to otherwise remedy
19 the inconsistency.

20 “(8) STATEMENTS AND ASSESSMENTS.—

21 “(A) IN GENERAL.—In preparing any envi-
22 ronmental impact statement or environmental
23 assessment under section 102 of the National
24 Environmental Policy Act of 1969 (42 U.S.C.
25 4332) with respect to the application for, or

1 issuance of, a permit under this subsection, the
2 Secretary shall not identify or analyze the im-
3 pacts and potential minimization and mitigation
4 measures relating to any alternative other
5 than—

6 “(i) the alternative presented by the
7 permit applicant under the conservation
8 plan or another document; and

9 “(ii) an alternative requiring no action
10 by the Secretary.

11 “(B) REGULATIONS.—The Secretary shall
12 promulgate regulations under which the Sec-
13 retary, subject to the availability of appropria-
14 tions, shall reimburse a permit applicant under
15 this subsection for reasonable amounts paid by
16 the person for preparation by a contractor, or
17 another person selected by the Secretary, of an
18 environmental impact statement, environmental
19 assessment, or related documentation or study
20 required under section 102 of the National En-
21 vironmental Policy Act of 1969 (42 U.S.C.
22 4332) with respect to the application for, or
23 issuance of, the permit.

24 “(9) PUBLICATION OF NOTICE OF DECISION.—
25 Not later than 15 days before the proposed effective

1 date of a permit, the Secretary shall publish in the
2 Federal Register a notice of any decision of the Sec-
3 retary to approve or disapprove an application for,
4 or amendment to, a permit under this section.”.

5 **SEC. 304. TECHNICAL CORRECTIONS.**

6 Section 4(f)(1) of the Endangered Species Act of
7 1978 (16 U.S.C. 1533(f)(1)) is amended—

8 (1) in the matter preceding subparagraph (A),
9 by striking “in development” and inserting “in de-
10 veloping”; and

11 (2) in subparagraph (A), by striking “activity;”
12 and inserting “activity; and”.

13 **SEC. 305. TAX INCENTIVES.**

14 (a) DEDUCTION FOR COST OF CONSERVATION AND
15 RECOVERY BANK CREDIT.—

16 (1) IN GENERAL.—Part VI of subchapter B of
17 chapter 1 of the Internal Revenue Code of 1986 (re-
18 lating to itemized deductions for individuals and cor-
19 porations) is amended by adding at the end the fol-
20 lowing new section:

21 **“SEC. 200. CONSERVATION BANK CREDITS.**

22 “There shall be allowed as a deduction an amount
23 equal to the cost of any credit purchased from a conserva-
24 tion bank approved under section 4A of the Endangered

1 Species Act of 1973 in the taxable year in which such
2 credit is purchased.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions for such part VI is amended by adding at the
5 end the following new item:

“Sec. 200. Conservation bank credits.”.

6 (3) EFFECTIVE DATE.—The amendments made
7 by this subsection shall apply to taxable years end-
8 ing after the date of the enactment of this Act.

9 (b) CREDIT FOR COSTS INCURRED FOR CONVERSA-
10 TION ACTIVITIES RELATED TO ENDANGERED, THREAT-
11 ENED, AND CANDIDATE SPECIES.—

12 (1) IN GENERAL.—Subpart B of part IV of
13 subchapter A of chapter 1 of the Internal Revenue
14 Code of 1986 (relating to other credits) is amended
15 by adding at the end the following new section:

16 **“SEC. 30D. CREDIT FOR COSTS INCURRED FOR CONVERSA-**
17 **TION AND RECOVERY ACTIVITIES RELATED**
18 **TO ENDANGERED, THREATENED, AND CAN-**
19 **DIDATE SPECIES.**

20 “(a) ALLOWANCE OF CREDIT.—There shall be al-
21 lowed as a credit against the tax imposed by this chapter
22 for the taxable year an amount equal to the qualified con-
23 servation and recovery costs of an eligible taxpayer for the
24 taxable year.

1 “(b) LIMITATION BASED ON AMOUNT OF TAX.—The
2 credit allowed under subsection (a) for the taxable year
3 shall not exceed the excess of—

4 “(1) the sum of the regular tax liability (as de-
5 fined in section 26(b)) plus the tax imposed by sec-
6 tion 55, over

7 “(2) the sum of the credits allowable under sub-
8 part A and sections 27, 30A, 30B, and 30C for the
9 taxable year.

10 “(c) QUALIFIED CONSERVATION AND RECOVERY
11 COSTS.—For purposes of this section, the term ‘qualified
12 conservation and recovery costs’ means costs paid or in-
13 curred by the eligible taxpayer in carrying out approved
14 site-specific recovery actions under section 4(f) of the En-
15 dangered Species Act (16 U.S.C. 1533(f)), or any other
16 Federal- or State-approved conservation and recovery
17 agreements involving an endangered, threatened, or can-
18 didate species under the Endangered Species Act (16
19 U.S.C. 1531 et seq.) in an amount equal to—

20 “(1) under a binding agreement for not less
21 than 99 years, the sum of—

22 “(A) the amount by which the fair market
23 value of the land is reduced by such site-specific
24 recovery actions or agreements, and

1 “(B) the actual costs to the property
2 owner of such approved site-specific recovery
3 actions or agreements,

4 “(2) under a binding agreement for not less
5 than 30 years but less than 99 years, the sum of—

6 “(A) 75 percent of the amount described
7 in paragraph (1)(A), and

8 “(B) 75 percent of the actual costs of such
9 approved site-specific recovery actions or agree-
10 ments, and

11 “(3) under a binding agreement for not less
12 than 10 years but less than 30 years, 75 percent of
13 the actual costs of such approved site-specific recov-
14 ery actions or agreements.

15 “(d) ELIGIBLE TAXPAYER.—For purposes of this
16 section—

17 “(1) IN GENERAL.—The term ‘eligible taxpayer’
18 means any person who submits to the Secretary, to-
19 gether with the return of the taxpayer for the tax-
20 able year—

21 “(A) evidence of the binding agreement de-
22 scribed in subsection (c), and

23 “(B) a written verification from a biologist
24 not directly employed by the taxpayer that any

1 conservation and recovery practice for which the
2 taxpayer seeks a credit under this section—

3 “(i) is described in a Federal- or
4 State-approved agreement in subsection
5 (c), and

6 “(ii) was carried out—

7 “(I) during the taxable year, and

8 “(II) in accordance with the
9 schedule of the Federal- or State-ap-
10 proved agreement in subsection (c).

11 “(2) EFFECT OF GOVERNMENTAL ASSISTANCE
12 ON ELIGIBILITY.—Such term shall not include any
13 taxpayer who receives any cost share assistance from
14 the Federal Government or a State government
15 under any approved site-specific recovery action or
16 agreement described in subsection (c) for the taxable
17 year, unless the adjusted gross income of the tax-
18 payer for such taxable year does not exceed the
19 amount of the adjusted gross income limitation
20 which would apply to such taxpayer for such taxable
21 year for purposes of the credit allowed under section
22 32.

23 “(e) CARRYBACK AND CARRYFORWARD ALLOWED.—

24 “(1) IN GENERAL.—If the credit allowable
25 under subsection (a) for a taxable year exceeds the

1 amount of the limitation under subsection (b) for
2 such taxable year (in this paragraph referred to as
3 the ‘unused credit year’), such excess shall be a
4 credit carryback to each of the 1 taxable years pre-
5 ceding the unused credit year and a credit
6 carryforward to each of the 20 taxable years fol-
7 lowing the unused credit year.

8 “(2) RULES.—Rules similar to the rules of sec-
9 tion 39 shall apply with respect to the credit
10 carryback and credit carryforward under subpara-
11 graph (A).

12 “(f) CREDITS MAY BE TRANSFERRED.—Nothing in
13 any law or rule of law shall be construed to limit the trans-
14 ferability of any credit allowed by this section through sale
15 and repurchase agreements.

16 “(g) SPECIAL RULES.—

17 “(1) BASIS REDUCTION.—The basis of any
18 property for which a credit is allowable under sub-
19 section (a) shall be reduced by the amount of such
20 credit (determined without regard to subsection (b)).

21 “(2) NO DOUBLE BENEFIT.—The amount of
22 any deduction or credit allowable under this chapter
23 (other than the credit allowable under subsection
24 (a)), shall be reduced by the amount of credit al-

1 lowed under subsection (a) (determined without re-
2 gard to subsection (b)(2)) for the taxable year.

3 “(3) REDUCTION FOR ASSISTANCE.—The
4 amount taken into account under subsection (a) with
5 respect to any project shall be reduced by the
6 amount of any Federal, State, or local grant or
7 other assistance received by the taxpayer during
8 such taxable year or any prior taxable year which
9 was used for qualified conservation and recovery
10 costs and which was not included in the gross in-
11 come of such taxpayer.

12 “(h) RECAPTURE.—The Secretary shall, by regula-
13 tions, provide for the recapture of any credit allowable
14 under subsection (a) if the taxpayer breaches or termi-
15 nates the agreement described in subsection (c).”.

16 (2) BASIS ADJUSTMENT.—Section 1016(a) of
17 such Code is amended by striking “and” at the end
18 of paragraph (36), by striking the period at the end
19 of paragraph (37) and inserting “, and”, and by
20 adding at the end the following new paragraph:

21 “(38) to the extent provided in section
22 30D(g)(1).”.

23 (3) CLERICAL AMENDMENT.—The table of sec-
24 tions for subpart B of part IV of subchapter A of
25 chapter 1 of such Code is amended by inserting

1 after the item relating to section 30C the following
2 new item:

“Sec. 30D. Credit for costs incurred for conversation activities related to
endangered, threatened, and candidate species.”.

3 (4) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to taxable years end-
5 ing after the date of the enactment of this Act.

6 **TITLE IV—PROTECTIONS AND**
7 **MEASURES IN FORESTS**

8 **SEC. 401. PROTECTIONS AND MEASURES.**

9 Section 506(a) of the Healthy Forests Restoration
10 Act of 2003 (16 U.S.C. 6576(a)) is amended—

11 (1) by striking “and protection under—” and
12 inserting “and protection as follows:”; and

13 (2) by striking paragraphs (1) and (2) and in-
14 serting the following:

15 “(1) CONSERVATION ACTIVITIES THAT INCLUDE
16 A SITE-SPECIFIC RECOVERY ACTION.—In the case of
17 a landowner that enrolls in the program and the res-
18 toration plan of which includes 1 or more site-spe-
19 cific recovery actions from a recovery plan approved
20 under section 4(f) of the Endangered Species Act of
21 1973 (16 U.S.C. 1533(f)), the landowner shall not
22 be liable under section 9 of that Act (16 U.S.C.
23 1538) for the incidental take of species covered by
24 the restoration plan—

1 “(A) for the duration of the agreement;
2 and

3 “(B) within the area in which the net con-
4 servation benefits will accrue, so long as the
5 contribution to recovery is at least proportional
6 to the potential for and degree of incidental
7 taking that may reasonably be expected to
8 occur in the restoration plan.

9 “(2) CONSERVATION ACTIVITIES THAT DO NOT
10 INCLUDE A SITE-SPECIFIC RECOVERY ACTION.—In
11 the case of a landowner the conservation activities of
12 which do not include a site-specific recovery action
13 from a recovery plan approved under section 4(f) of
14 the Endangered Species Act of 1973 (16 U.S.C.
15 1533(f)), the Secretary of Agriculture shall make
16 available to the landowner safe harbor or similar as-
17 surances and protections under—

18 “(A) section 7(b)(4) of the Endangered
19 Species Act of 1973 (16 U.S.C. 1536(b)(4)); or

20 “(B) section 10 (a)(1) of that Act (16
21 U.S.C. 1539(a)(1)).”.