SEC. ___. AUTHORITY FOR USE OF AMOUNTS RECOVERED FOR DAMAGE TO GOVERNMENT PROPERTY.

(a) EXTENSION TO PERSONAL PROPERTY.—The first sentence of section 2782 of title 10, United States Code, is amended by striking "real property" both places it appears and inserting "property".

(b) AVAILABILITY OF RECOVERED FUNDS.—The second sentence of such section is amended—

(1) by striking "In such amounts as are provided in advance in appropriation Acts, amounts" and inserting "Amounts";

(2) by inserting "merged with, and" before "available for use";

(3) by inserting "and for the same period" after "same purposes"; and

(4) by inserting a comma after "circumstances as".

(c) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended by striking "**real**".

(2) TABLE OF SECTIONS.—The item relating to such section in the table of sections at the beginning of chapter 165 of such title is amended to read as follows:

"2782. Damage to property: disposition of amounts recovered.".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text above would amend existing law.]

Section-by-Section Analysis

This proposal would amend section 2782 of title 10, United States Code, to allow funds collected for damage to all property controlled by the Department of Defense (DoD) to be deposited into and obligated from the account responsible for the repair or replacement of the damaged Government property. Section 2782 currently provides authority to deposit the amount recovered for damage to real property into the account available for the repair or replacement of

the real property at the time of recovery; however, the collected funds cannot be spent except as appropriated by law. Subsequent to the enactment of section 2782, no appropriations act has included the necessary language to allow expenditure of the funds, and thus the funds must continue to be held in the relevant account for six years and then returned to the General Treasury.

The proposed change would allow the military departments to expend funds collected for the repair or replacement of all Government property instead of returning the funds to the General Treasury after six years. Over the past three years, $1.3 million was collected for damage sustained to Air Force property, all of which eventually will be deposited into the General Treasury under current law. If the proposed changes are adopted, installation commanders would obtain the flexibility of spending the funds to repair or replace damaged Government property, rather than taking the necessary funds for such unanticipated repair or replacement out of their operating budgets.

This request is patterned after other Federal laws already in place that permit agencies to collect funds from liable third parties and to spend those funds to remediate the unanticipated effects of those actions. *See* Federal Medical Care Recovery Act (42 U.S.C. 2651) and Coordination of Benefits Statute (10 U.S.C. 1095(g)).

Enabling military units to expend funds collected under this law would provide a persuasive incentive for Federal agencies to dedicate resources towards the aggressive collection of funds that are owed to the Federal Government and deter wrongful conduct by tortfeasors who damage the property of the Federal Government by making it more likely they will be held responsible for their actions.

Budget Implications: The proposed changes would have no negative Department of Defense budgetary impact. Legal personnel already have affirmative claims programs in place to assert and collect these claims on behalf of the United States. The proposed change would allow the military departments to access and spend the funds recovered for damage to Government property without needing language from an appropriations act allowing the military departments to spend the funds. This would prevent installation commanders from having to take funds from their operating budgets to repair or replace unanticipated damage to Government property. By allowing this change military departments would not need to request an increase to their operating budgets due to the unanticipated cost of repairing or replacing damaged Government property.

AIR FORCE

FISCAL YEAR (FY)	COLLECTIONS ($)
FY 2016*	$610,689
FY 2015	$204,467
FY 2014	$551,000
FY 2013	$651,877
FY 2012	$451,442
TOTAL (FY 2012-16)	$2,469,475

ANNUAL AVERAGE **$493,895**

*The FY 2016 figure is a projection for the entire fiscal year based upon current recovery activities and over the past two years.

ARMY

FISCAL YEAR	COLLECTIONS ($)
FY 2016*	$1,249,447
FY 2015	$1,109,839
FY 2014	$1,389,115
FY 2013	$1,428,618
FY 2012	$1,1538,091
TOTAL (FY 2012-16)	$6,715,140
ANNUAL AVERAGE	**$1,343,028**

*The FY 2016 figure is a projection for the entire fiscal year based upon recovery activities over the past two years.

NAVY

FISCAL YEAR	COLLECTIONS ($)
FY 2016*	$78,150
FY 2015	$229,753
FY 2014	$182,217
FY 2013	$168,000
FY 2012	$61,300
TOTAL (FY 2012-16)	$719,420
ANNUAL AVERAGE	**$143,884**

*The FY 2016 figure is a projection for the entire fiscal year based upon the recovery activities over the past two years.

Five-Year Projected Property Damage Collections (FY 2017-21)				
Fiscal Year	**Air Force**	**Navy**	**Army**	**DOD**
2017	$493,895	$143,884	$1,343,028	$1,980,807
2018	$493,895	$143,884	$1,343,028	$1,980,807
2019	$493,895	$143,884	$1,343,028	$1,980,807
2020	$493,895	$143,884	$1,343,028	$1,980,807
2021	$493,895	$143,884	$1,343,028	$1,980,807
Total	$2,469,475	$719,420	$6,715,140	$9,904,035

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Air Force	0.493	0.493	0.493	0.493	0.493	Operation and Maintenance, Air Force	01	011Z	28534F

Navy does not intend to use this authority, which would have been funded in Operation and Maintenance, Navy									
Army does not intend to use this authority, which would have been funded in Operation and Maintenance, Army									
Total	0.493	0.493	0.493	0.493	0.493	--	--	--	--

Changes to Existing Law: This proposal would make the following changes to section 2782 of title 10, United States Code:

§ 2782. Damage to ~~real~~ property: disposition of amounts recovered

Except as provided in section 2775 of this title, amounts recovered for damage caused to ~~real~~ property under the jurisdiction of the Secretary of a military department or, with respect to the Defense Agencies, under the jurisdiction of the Secretary of Defense shall be credited to the account available for the repair or replacement of the ~~real~~ property at the time of recovery. ~~In such amounts as are provided in advance in appropriation Acts, a~~Amounts so credited shall be merged with, and available for use for the same purposes and for the same period and under the same circumstances as, other funds in the account.