



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 10, 1999

S. 291

Carlsbad Irrigation Project Acquired Land Transfer Act

*As ordered reported by the Senate Committee on Energy and Natural Resources
on March 4, 1999*

SUMMARY

S. 291 would direct the Secretary of the Interior, acting through the Bureau of Reclamation (the bureau), to convey the irrigation and drainage system of the Carlsbad Project, New Mexico, and related lands and property, including most of the surface and mineral estates, to the Carlsbad Irrigation District (the district).

CBO estimates that implementing the bill would reduce discretionary spending over the 2000-2004 period by \$100,000, assuming appropriations are reduced correspondingly. CBO also estimates that enacting S. 291 would increase direct spending by \$200,000 annually beginning in 2000; therefore, pay-as-you-go procedures would apply.

S. 291 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Local governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing the bill would reduce discretionary spending by about \$20,000 a year, assuming that appropriations are reduced accordingly, and that enacting S. 291 would increase direct spending by \$200,000 annually beginning in 2000. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 1999. Under current law, about \$20,000 is appropriated each year to the Bureau of Reclamation for operation, maintenance, and oversight of land and facilities that would be managed solely by the district if S. 291 is implemented. The bureau would no longer incur these costs if the bill is enacted.

Conveying the lands and property to the irrigation district would also affect federal receipts from mineral and grazing leases at the Carlsbad Project. Direct spending would increase beginning in 2000 because S. 291 would allow the bureau to use receipts collected after the bill is enacted but prior to conveyance to offset the cost of conveying the project. Additionally, the bill would transfer to the irrigation district the right to all receipts after conveyance. As a result, CBO estimates that additional outlays from direct spending would total about \$200,000 a year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. S. 291 would not affect governmental receipts but would increase outlays from direct spending by about \$200,000 a year, beginning in 2000.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 291 contains no intergovernmental mandates as defined in UMRA. The conveyance authorized by this bill would be voluntary on the part of the district, and any costs incurred as a result of the conveyance would be accepted on that basis. CBO estimates that the additional costs incurred by the district (about \$20,000 per year) would be more than offset by the new receipts (about \$200,000 per year).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

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