



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 27, 2003

S. 1066

**A bill to correct a technical error from Unit T-07 of the John H. Chafee
Coastal Barrier Resources System**

*As ordered reported by the Senate Committee on Environment and Public Works
on October 15, 2003*

CBO estimates that enacting S. 1066 would not have any significant impact on the federal budget over the next five years. The bill could affect direct spending, but we expect that net changes would be negligible.

S. 1066 would modify the boundaries of the Matagorda Peninsula Unit (in Texas) of the Coastal Barriers Resource System to exclude about 45 lots or houses on 19 acres of private land. This change would enable the owners of these properties to obtain federal flood insurance. CBO estimates that, once insurance policies have been written on all properties, premium collections into the national flood insurance fund would increase by less than \$100,000 annually. Collections would be partially offset each year by new mandatory spending for underwriting and administrative expenses. The federal government may also incur additional costs for losses associated with any future floods that might affect the newly insured properties, but CBO has no basis for predicting such events.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Deborah Reis. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.