



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 10, 2003

H.R. 154

A bill to exclude certain properties from the John H. Chafee Coastal Barrier Resources System

As ordered reported by the House Committee on Resources on October 29, 2003

CBO estimates that enacting H.R. 154 would not have any significant impact on the federal budget. The bill could affect direct spending, but we expect that net changes would be negligible.

H.R. 154 would modify the boundaries of the Matagorda Peninsula Unit (in Texas) of the Coastal Barrier Resources 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.

On October 23, 2003, CBO transmitted a cost estimate for 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. The provisions of S. 1066 and H.R. 154 are identical, as are the estimated costs.

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