CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 23, 1998

H.R. 3226

A bill to authorize the Secretary of Agriculture to convey certain lands and improvements in the state of Virginia, and for other purposes

As introduced in the House of Representatives on February 12, 1998

SUMMARY

H.R. 3226 would authorize the Secretary of Agriculture to sell or exchange about 368 acres of certain federal land in Virginia. The bill would direct the Secretary to deposit any funds received from sale or exchange of the federal lands in a special fund within the Treasury; spending from that fund would be subject to subsequent appropriation. CBO estimates that enacting H.R. 3226 would increase offsetting receipts from nonroutine asset sales by about $2 million over the 1999-2003 period. Because enacting the bill would increase offsetting receipts, pay-as-you-go procedures would apply. In addition, we estimate that discretionary outlays would increase by about $2 million over the 2000-2003 period, assuming appropriation of the estimated proceeds from the sale.

H.R. 3226 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3226 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and the environment).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	-1	-1	0	0	0
Estimated Outlays	0	-1	-1	0	0	0
SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	0	1	1	0	0
Estimated Outlays	0	0	1	1	0	0

BASIS OF ESTIMATE

Implementing H.R. 3226 would affect direct spending by resulting in the sale of certain lands. Sale proceeds would be recorded as offsetting receipts, a form of direct spending. Assuming appropriation of any amounts collected, subsequent changes in discretionary spending would match the decrease in direct spending.

Direct Spending (including offsetting receipts)

H.R. 3226 would authorize the Secretary of Agriculture to sell or exchange about 368 acres of federal land in the state of Virginia. The affected land consists of 18 separate tracts that are contained in the George Washington National Forest and the Jefferson National Forest. Two of the tracts comprise most of the affected area: one of 101 acres and one 214 acres. Most of the remaining tracts are small; many of them are less than one acre in size. According to the Forest Service, under H.R. 3226 the agency would be likely to sell about 325 acres of federal land to the state of Virginia or another interested party, and either exchange or sell another 43 acres. Under current law, the Forest Service does not have the authority to sell or exchange the federal land specified in H.R. 3226. Therefore, such sales would be considered nonroutine asset sales. Under the Balanced Budget Act of 1997, proceeds from a nonroutine asset sale may be counted for purposes of pay-as-you-go scorekeeping only if the sale would entail no net financial cost to the government. CBO estimates that the nonroutine asset sales that would result from enacting H.R. 3226 would generate a net savings to the government; therefore, the proceeds would be counted for pay-as-you-go purposes. Depending on the amount of federal lands sold and the sale price negotiated, CBO estimates that the asset sale proceeds from H.R. 3226 could total about $2 million over the 1999-2000 period.

Spending Subject to Appropriation

H.R. 3226 authorizes any funds received by the Secretary to be used to acquire land and interest in land in Virginia and to acquire or construct improvements related to the George Washington and Jefferson National Forests. Assuming appropriation of the estimated amounts, discretionary outlays would total about $2 million over the 2000-2003 period.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	-1	-1	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3226 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. As explained above, the state of Virginia would probably purchase much of the land affected by this bill. This purchase would be voluntary on the part of the state.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

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

ESTIMATE PREPARED BY:

Federal Costs: Victoria V. Heid
Impact on State, Local, and Tribal Governments: Marjorie Miller

ESTIMATE APPROVED BY:

Paul N. Van de Water
Assistant Director for Budget Analysis