



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 11, 2004

S. 1791

A bill to amend the Lease Lot Conveyance Act of 2002 to provide that amounts received by the United States under the Act shall be deposited in the reclamation fund, and for other purposes

*As ordered reported by the Senate Committee on Energy and Natural Resources
on April 28, 2004*

SUMMARY

S. 1791 would authorize the Secretary of the Interior to make proceeds from the sale of 403 cabin sites located in the Elephant Butte and Caballo State Parks in New Mexico available to the Elephant Butte Irrigation District and El Paso County Water Improvement District No. 1. Under this bill, the districts would be able to use the proceeds from cabin site sales for annual project repayment costs, for annual operations and maintenance costs, and for any other project purpose.

Enacting this bill would authorize the expenditure of receipts from the sale of certain cabin sites. Based on information from the Bureau of Reclamation, CBO estimates that the additional direct spending would amount to \$1 million annually over the 2005-2014 period. Enacting the bill would not affect federal revenues.

S. 1791 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit the affected irrigation districts in New Mexico.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1791 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

By Fiscal Year, in Millions of Dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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CHANGES IN DIRECT SPENDING

Estimated Budget Authority	0	1	1	1	1	1	1	1	1	1	1
Estimated Outlays	0	1	1	1	1	1	1	1	1	1	1

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1791 will be enacted near the end of fiscal year 2004. Under this bill, the proceeds from the sale of the 403 cabin sites at Elephant Butte and Caballo State Parks in New Mexico would be made available to the Elephant Butte Irrigation District and El Paso County Water Improvement District No. 1. When the sales are complete, proceeds are expected to amount to about \$15 million. The districts would be able to use the proceeds, first, as a credit toward the annual repayment contract with the federal government, second, as a credit toward annual operations and maintenance costs for the Rio Grande Project, and, finally, for any other project purpose. Under current law, the proceeds from the sale of the cabin sites would be deposited into the Reclamation Fund and would not be available to the districts.

Currently, the districts do not have any outstanding repayment contracts. Together, the districts pay a total of \$540,000 annually for operations and maintenance costs associated with the Rio Grande Project. For this estimate, CBO assumes that the Bureau of Reclamation would apply the proceeds from the sale of the cabin sites to the districts' annual operations and maintenance obligations. Based on information from the bureau, CBO estimates that enacting this bill would result in additional direct spending of about \$1 million annually over the 2005-2014 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1791 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit the affected irrigation districts in New Mexico.

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