



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 12, 2006

S. 2464

A bill to revise a provision relating to a repayment obligation of the Fort McDowell Yavapai Nation under the Fort McDowell Indian Community Water Rights Settlement Act of 1990, and for other purposes

*As cleared by the Congress on September 28, 2006,
and signed by the President on November 27, 2006*

S. 2464 (enacted as Public Law 109-373) cancels the Fort McDowell Yavapai Nation's obligation to repay a loan it received from the Secretary of the Interior to build an irrigation project on the Fort McDowell Indian Reservation. The Fort McDowell Indian Community Water Rights Settlement Act of 1990 provided a \$13 million loan to the Yavapai Nation, to be repaid over a term of 50 years without interest. S. 2464 also relieves the Secretary of the Interior of the environmental mitigation responsibilities created by the earlier act. That act authorized appropriations of the necessary amounts to complete the environmental mitigation.

Based on information from the Department of the Interior, CBO estimates that forgiving the loan will increase direct spending by about \$4 million in 2007. That increase in direct spending represents the discounted present value of the loan repayments over the 50-year repayment period. Under a previous agreement with the agency, the tribe would not have begun repaying the loan until fiscal year 2008.

The CBO staff contact for this estimate is Gregory Waring. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.