



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 4, 1999

S. 1330

A bill to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city

*As ordered reported by the Senate Committee on Energy and Natural Resources
on July 28, 1999*

S. 1330 provides for the conveyance of up to about 8,000 acres of federal land to the city of Mesquite, Nevada. Because S. 1330 would affect direct spending, pay-as-you-go procedures would apply to the bill. CBO estimates that enacting this bill would increase direct spending by about \$500,000 over the 2000-2004 period. S. 1330 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would have no significant impact on the budgets of state, local, or tribal governments, other than the city of Mesquite, Nevada, which would benefit from its enactment.

S. 1330 would give the city of Mesquite, Nevada, the exclusive right to purchase specified parcels of federal land over the next 12 years. According to the Bureau of Land Management (BLM) and the city of Mesquite, these parcels comprise roughly 5,300 acres, depending on the outcome of final surveys. The city would pay fair market value for the acreage. Proceeds from the sale would be deposited in the special account established under the Southern Nevada Public Land Management Act of 1998 (SNPLM), out of which the Secretary of the Interior may expend funds for land acquisitions and other projects in the state of Nevada. Under current law, BLM has no plans to sell the property. Based on information from BLM and the city of Mesquite, we estimate that these sales would result in additional federal receipts of roughly \$6 million over the 2000-2004 period and subsequent spending of the same amount. Payments by the city could be in one lump sum or over several years, which could affect the total receipts from the sales. The funds deposited in the SNPLM special account earn interest, which the Secretary can spend. Because a lag between the deposit and spending of sale proceeds is likely, we expect that enacting S. 1330 would result in a net increase in direct spending from the interest. Assuming all the acreage is sold to the city in 2001, we estimate a net increase in direct spending totaling about \$500,000 over the 2000-2004 period. Estimated annual budgetary effects are shown in the following table.

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004

CHANGES IN DIRECT SPENDING (including offsetting receipts)

Estimated Budget Authority	0	-4	2	2	1	0
Estimated Outlays	0	-4	2	2	1	0

In addition, S. 1330 provides that within one year of enactment the Secretary of the Interior shall convey to the city of Mesquite up to 2,560 acres of federal land to be selected by the city from parcels described in the bill. The land would be used to develop a new commercial airport. The bill requires that the conveyance be in accordance with 49 U.S.C. 47125, which permits the Secretary of Transportation to request that a federal agency convey land or airspace to a public agency sponsoring a project such as a new airport. The statute specifies that such conveyances be made only on the condition that the federal government retain a reversionary interest if the land is not used for an airport. Since BLM has no plans to sell the property under current law, conveying the property at no cost to the city would have no net impact on receipts relative to current law.

S. 1330 contains no intergovernmental mandates as defined in UMRA. The city of Mesquite would benefit from enactment of this legislation, which would allow it to obtain needed parcels of land. BLM would convey some of this land at no cost. The conveyances would be voluntary on the part of the city, as would any amounts spent by the city to purchase or develop the land. The bill would have no significant impact on the budgets of other local governments, or on state or tribal governments.

The CBO staff contacts are Victoria Heid Hall (for federal costs), and Marjorie Miller (for the state and local impact). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.