



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 1, 2012

H.R. 2512 **Three Kids Mine Remediation and Reclamation Act**

*As ordered reported by the House Committee on Natural Resources
on February 29, 2012*

H.R. 2512 would require the Bureau of Land Management (BLM) to sell 950 acres of federal land, some of which are contaminated by hazardous waste, to the city of Henderson, Nevada. Under the bill, the agency would determine the sale price by estimating the fair market value of the land and reducing that amount by the estimated cost of any necessary environmental remediation and mining reclamation activities at the site. Finally, the bill would release the federal government from any future liability stemming from environmental contamination at the site.

Based on information provided by BLM and the Department of Justice (DOJ), CBO estimates that implementing the legislation would have no significant impact on the federal budget. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Roughly 15 percent of the lands that would be sold under the bill are contaminated and will require mine reclamation and environmental remediation. Based on information provided by BLM and the city of Henderson, CBO estimates that the agency is unlikely to receive any financial compensation for any of the land because remediation and reclamation costs would exceed the land's fair market value. Because CBO does not expect that the affected lands would generate any receipts over the next 10 years, we estimate that conveying the lands under the bill would have no significant impact on the federal budget.

H.R. 2512 also would release the federal government from any future liability associated with contamination on the affected public lands and adjacent private lands. Based on information from DOJ, CBO expects that it is unlikely that a court would force the federal government to remediate and reclaim its own property. However, if a plaintiff successfully sued the federal government, under current law, any remediation or reclamation costs would be paid using appropriated funds. Thus, enacting the legislation could reduce the amount of appropriated funds BLM spends on remediation and reclamation activities in the future.

H.R. 2512 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.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.