



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 13, 2014

S. 258 **Grazing Improvement Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on November 21, 2013*

CBO estimates that enacting S. 258 would affect offsetting receipts, which are treated as reductions in direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such effects would be negligible over the 2014-2024 period. We also estimate that implementing the legislation would have no significant impact on discretionary spending. Enacting S. 258 would not affect revenues.

S. 258 would increase the maximum term of new grazing permits on federal lands from 10 years to 20 years and allow expired and transferred grazing permits to remain in effect until new permits are issued by the Bureau of Land Management or the Forest Service. Based on information provided by the affected agencies, CBO estimates that enacting that provision would have a minimal impact on offsetting receipts each year because those agencies have the authority under current law to extend expired permits. The bill would allow the affected agencies to collect offsetting receipts from transferred permits sooner than they would under current law; however, because the number of permits that would be affected each year accounts for less than 5 percent of all federal grazing permits, the net budgetary impact would be negligible. In 2013, gross federal collections from all grazing permits totaled roughly \$20 million.

Because the bill would allow transferred permits to remain in effect under the terms of the original permit until that permit expires, CBO expects that the agencies would receive fewer requests for new permits in the next few years; however, because those permits would need to be renewed in later years, CBO estimates that implementing the provision would have no significant net effect on agencies' workloads over the 2014-2019 period.

The legislation would allow the exclusion of certain grazing lands from compliance with the National Environmental Policy Act (NEPA). CBO estimates that implementing that provision would have no effect on discretionary spending because we expect that any reduction in spending on NEPA activities on those lands would be offset by spending to reduce the agencies' backlog of incomplete NEPA activities on other federal lands.

Finally, S. 258 would require the Secretary of the Interior to accept permits that are voluntarily relinquished by current permit holders. Under the bill, relinquished permits would be terminated and future grazing on land covered by those permits would be prohibited. Based on information from the affected agencies, CBO expects that a small number of permits would be relinquished if the bill is enacted, and we estimate that enacting the bill would have a minimal impact on offsetting receipts from grazing fees over the 2014-2024 period.

S. 258 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On June 20, 2013, CBO transmitted a cost estimate for H.R. 657, the Grazing Improvement Act, as ordered reported by the House Committee on Natural Resources on June 12, 2013. The two bills are similar, and the CBO cost estimates are the same.

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