



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 8, 2014

**H.R. 2657
Disposal of Excess Federal Lands Act of 2013**

*As ordered reported by the House Committee on Natural Resources
on January 28, 2014*

H.R. 2657 would direct the Bureau of Land Management (BLM) to offer certain federal lands for sale. The bill would require the agency to sell the affected lands for fair market value as determined by an independent appraiser. Any proceeds from the sale of those lands would be deposited in the U.S. Treasury. The bill also would require BLM to complete a report to the Congress identifying federal lands that are suitable for disposal.

Based on information provided by BLM, CBO estimates that implementing the legislation would cost \$6 million over the 2015-2018 period, assuming appropriation of the necessary amounts. Enacting the bill could increase offsetting receipts, which are treated as reductions in direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any effect on offsetting receipts would be negligible.

H.R. 2657 would direct BLM to sell federal lands identified as suitable for disposal in a 1997 report to the Congress. That report identified roughly 3.4 million acres of land as suitable for disposal; however, many of the affected lands were subject to impediments that could prevent their sale, including high disposal costs, the presence of critical natural or cultural resources and habitat, mineral claims and leases, and hazardous conditions. Over the 2000-2011 period, when the Federal Land Transaction Facilitation Act (FLTFA) was in effect, CBO estimates that BLM sold roughly 30,000 acres of the affected lands generating more than \$100 million in offsetting receipts (a significant portion of which were spent to acquire other lands under FLTFA).

Under current law, BLM has the authority to sell the affected lands identified in the 1997 report, and CBO expects that the agency will offer some of those lands for sale over the 2014-2023 period. H.R. 2657 would not require the agency to offer the affected lands for sale within a specified period of time, and CBO expects that enacting the bill would have little effect on the timing or quantity of future land sales under current law; therefore, we estimate that enacting the bill would have no significant effect on offsetting receipts.

H.R. 2657 would require BLM to prepare a report for the Congress within four years of the bill's enactment that includes an updated list of BLM lands identified as suitable for disposal. That report also would explain why lands identified as suitable for disposal in 1997 have not been sold. The costs of preparing that report would depend on the level of detail and accuracy included in the report. CBO expects that BLM would produce a report similar to the 1997 report, which contained limited details and lacked formal appraisals for individual parcels, and we estimate that producing that report would cost \$6 million over the 2015-2018 period, assuming appropriation of the necessary amounts. Preparing a more detailed report with formal appraisals of property values would significantly increase the cost of implementing this legislation.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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