



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 22, 2018

H.R. 4689

A bill to authorize early repayment of obligations to the Bureau of Reclamation within the Northport Irrigation District in the State of Nebraska

As ordered reported by the House Committee on Natural Resources on May 8, 2018

H.R. 4689 would allow *individual* landowners in the Northport Irrigation District in Nebraska to repay their share of the cost of building the North Platte Project. Currently, the Northport Irrigation District is not making payments to the Bureau of Reclamation (BOR) on its outstanding debt of \$924,000 for the construction of the irrigation project. The district makes a required annual payment of \$3,500 for the cost of conveying water to the district but does not currently make payments to pay-off that debt. Using information from the bureau, CBO does not expect the district to begin repaying this debt during the next several years.

Although current law permits the district to repay its share of construction costs early, the district has not done so, probably because some landowners have not agreed to an early repayment schedule. Under H.R. 4689, individual landowners would have limits on acreage that can be irrigated with BOR-delivered water waived if they make early repayments to retire their debt obligations to the federal government.

Using information from BOR, CBO expects that about half of the affected landowners would repay their debt obligations under the bill. CBO estimates that those payments would increase offsetting receipts to the federal government, which are treated as reductions in direct spending, by less than \$500,000 over the 2019-2028 period.

Because enacting H.R. 4689 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 4689 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4689 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.