



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

August 15, 2008

**H.R. 6159**  
**Deafy Glade Land Exchange Act**

*As ordered reported by the House Committee on Natural Resources on July 23, 2008*

H.R. 6159 would authorize the Secretary of Agriculture to exchange 82 acres of land in the Mendocino National Forest for 160 acres owned by Solano County, California. Under current law, the county pays the Forest Service about \$6,000 per year for the use of facilities on Forest Service land. As a condition of the proposed land exchange, the county would be required to continue to pay the \$6,000 per year for 10 years after the date of enactment of the legislation, but would have no payment obligation after that point. In addition, the administrative costs of the exchange would be paid for by the county.

Based on information from the Forest Service, CBO estimates that implementing H.R. 6159 would have a negligible effect on direct spending and no effect on revenues or discretionary outlays. The transactions authorized by the bill would reduce offsetting receipts from existing fees by about \$60,000 over the 2009-2018 period, but most of that cost would be offset by the amounts paid by the county as a condition of the exchange. By selling the land to Solano County on an installment basis, the federal government would effectively provide a direct loan to the county for the purposes of completing the property sale. Following the requirements of the Federal Credit Reform Act, which specifies how to account for the costs of government loans and loan guarantees, the budget would record an upfront payment equivalent to the net present value of the county's future payments, adjusted for any risk of defaults. Based on information about the credit risk of such loans, CBO estimates that the net present value of the county payments would total \$45,000. Thus, CBO estimates that enacting this bill would increase net direct spending by \$15,000 over the next 10 years.

H.R. 6159 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Tyler Kruzich. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.