



CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE

September 24, 1997

H.R. 680

An act to amend the Federal Property and Administrative Services Act of 1949 to authorize the transfer of surplus personal property to states for donation to nonprofit providers of necessities to impoverished families and individuals, and to authorize the transfer of surplus real property to states, political subdivisions and instrumentalities of states, and nonprofit organizations for providing housing or housing assistance for low-income individuals or families

As passed by the Congress on September 18, 1997

H.R. 680 would add nonprofit organizations that serve the poor (such as food banks and housing organizations) to the list of organizations eligible to receive surplus real and personal property. The legislation would allow the General Services Administration (GSA) to assign surplus real property--buildings and land--to the Department of Housing and Urban Development (HUD) for purposes of providing housing to low-income individuals and families. Subject to GSA's approval, HUD would have the authority to sell or lease the assigned property to state and local governments or to any nonprofit organization that exists to provide housing or housing assistance to the poor. Under the legislation, HUD would discount the market value of any property it sells by 75 percent, except that if GSA concurs, HUD could discount the property even further.

Based on information provided by GSA, CBO expects that in most cases properties donated under this legislation to assist low-income individuals and families would have been donated under an existing public purpose authority. CBO expects that the legislation would result in a small increase in federal donations of surplus property, however, and estimates that as a result the federal government would forgo offsetting receipts of \$1 million to \$2 million over the 1998-2002 period. The estimated pay-as-you-go impact consists of annual increases in direct spending of less than \$500,000 annually. (The act would not affect governmental receipts.)

The CBO staff contact for this estimate is John R. Righter. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.