



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 4, 1999

### **H.R. 1695**

### **Ivanpah Valley Airport Public Lands Transfer Act**

*As ordered reported by the House Committee on Resources on October 20, 1999*

#### **SUMMARY**

H.R. 1695 would direct the Secretary of the Interior to convey to Clark County, Nevada, about 6,400 acres of public land for the purpose of developing an airport facility and related infrastructure. The county would pay fair market value for the land. The bill would authorize the Secretary to spend the proceeds of the land sale. Because the Secretary could also spend interest earnings on the sale proceeds, CBO estimates that implementing H.R. 1695 would result in a net increase in direct spending of about \$1 million over the 2001-2004 period. Because H.R. 1695 would affect direct spending (including offsetting receipts), pay-as-you-go procedures would apply. Implementing the bill also could increase spending subject to appropriation, but CBO estimates that any additional discretionary spending would be less than \$500,000 a year.

H.R. 1695 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Clark County would probably incur some costs as a result of this bill's enactment, but these costs would be voluntary.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 1695 is shown in the following table. The bill also could affect spending subject to appropriation, but CBO estimates that any changes in discretionary spending would be less than \$500,000 a year. The costs of this legislation fall within budget function 300 (natural resources and the environment).

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
<b>CHANGES IN DIRECT SPENDING</b>					
Asset Sale Proceeds					
Estimated Budget Authority	0	-6	0	0	0
Estimated Outlays	0	-6	0	0	0
Spending of Proceeds and Interest					
Estimated Budget Authority	0	6	a	a	0
Estimated Outlays	0	2	2	2	1
Net Changes					
Estimated Budget Authority	0	0	a	a	0
Estimated Outlays	0	-4	2	2	1

a. Less than \$500,000.

## **BASIS OF ESTIMATE**

CBO estimates that implementing H.R. 1695 would result in a net increase in direct spending of about \$1 million over the 2001-2004 period.

### **Direct Spending (Including Offsetting Receipts)**

H.R. 1695 would direct the Secretary of the Interior to convey about 6,400 acres of public land to Clark County, Nevada, at fair market value. Under current law, the Bureau of Land Management (BLM) has no plans to sell the land, and the land does not generate any receipts for the federal government. According to BLM, the proceeds from sale of the land are highly uncertain since an appraisal has not been conducted and there are virtually no other comparable land sales in that area. Based on information from the local airport authority and BLM, CBO estimates that sale proceeds would total about \$6 million in fiscal year 2001.

Current law provides that states receive 5 percent of the net proceeds of sales of public lands within their limits. Thus, we estimate that payments to the state of Nevada would total about \$300,000 in fiscal year 2001 as a result of implementing H.R. 1695.

H.R. 1695 provides that proceeds from sale of the land shall be deposited in a special account in the Treasury created by section 4(e)(1)(C) of the Southern Nevada Public Land

Management Act (Public Law 105-263). We assume that such deposits will be net of the payments to Nevada discussed above. Under current law, interest is added to the principal deposited in that special account; such interest payments do not affect receipts to the Treasury, but they do increase the funds available to be spent from the account. The principal and interest in this account would be available to the Secretary of the Interior, without further appropriation, to purchase environmentally sensitive land in Nevada, reimburse agency costs incurred in arranging the land disposal, and certain other purposes. CBO estimates that under H.R. 1695 the Secretary would spend about \$2 million of the sale proceeds in fiscal year 2001, and about \$7 million over the 2001-2004 period, including interest earnings on the sale proceeds.

### **Spending Subject to Appropriation**

H.R. 1695 would make the land conveyance contingent on Clark County conducting an airspace assessment to identify any potential adverse effects on access to the Las Vegas Basin resulting from the construction and operation of an airport on the land to be conveyed. Further, the conveyance would be contingent on the Federal Aviation Administration certifying that the county's assessment is thorough and considers alternatives to any adverse effects identified in the assessment. The bill would direct the Secretary of Transportation to develop an airspace management plan for the Ivanpah Valley Airport that restricts arrivals and departures over the Mojave Desert Preserve in California. We estimate that the Department of Transportation's cost to certify the county's assessment and to develop an airspace management plan would total less than \$500,000 each year over the 2000-2004 period, assuming appropriation of the necessary amounts.

### **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted. Under the Balanced Budget Act, proceeds from nonroutine asset sales (sales that are not authorized under current law) may be counted for pay-as-you-go purposes only if the sale would entail no financial cost to the government. Based on information provided by BLM, CBO estimates that the sale of the public land specified in H.R. 1695 would result in a net savings to the government, and therefore, the proceeds would count for pay-as-you-go purposes.

	By Fiscal Year, in Millions of Dollars									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	0	-4	2	2	1	0	0	0	0	0
Changes in receipts					Not applicable					

**ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 1695 contains no intergovernmental mandates as defined in UMRA. The conveyance authorized by this bill would be voluntary on the part of Clark County and any costs they would incur to fulfill the conditions of the conveyance also would be voluntary. This would include paying fair market value for the land and conducting an airspace assessment. The county would benefit from the opportunity to acquire this land, and the state of Nevada would benefit because they would receive a portion of the receipts from the sale.

**ESTIMATED IMPACT ON THE PRIVATE SECTOR**

The bill would impose no new private-sector mandates as defined in UMRA.

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