



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 1, 2000

H.R. 3388

Lake Tahoe Restoration Act

As ordered reported by the House Committee on Resources on July 26, 2000

SUMMARY

CBO estimates that implementing H.R. 3388 would cost \$132 million over the 2001-2005 period, assuming appropriation of the authorized amounts. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 3388 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this bill, but those costs would be voluntary.

H.R. 3388 would establish a program to restore the ecological health of the Lake Tahoe basin in California and Nevada, and would authorize the appropriation of \$301 million for that purpose. The bill would require the Forest Service to develop and prioritize a list of projects to clean up and restore water quality in the basin and would authorize the appropriation of \$200 million over 10 years to carry out such projects on federal lands. The bill also would authorize the appropriation of \$101 million over 10 years for payments to local governments (including public utilities) within the Lake Tahoe basin to support similar cleanup activities on nonfederal lands.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3388 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	31	30	30	30	30
Estimated Outlays	16	26	30	30	30

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3388 will be enacted by the start of fiscal year 2001 and that the authorized amounts will be provided as specified by the bill. Estimates of outlays are based on historical spending patterns for similar programs.

H.R. 3388 would authorize the appropriation of \$20 million a year over the 2001-2010 period for environmental restoration projects on federal lands within the Lake Tahoe basin. Based on information from the Forest Service, we estimate that outlays for those projects would total about \$84 million over the 2001-2005 period. In addition, the bill would direct the Forest Service to make payments to local governments and public utilities to support erosion control and water quality activities on nonfederal lands and would authorize the appropriation of \$10 million a year for 10 years for that purpose. Based on information from the Forest Service, CBO estimates that such payments would total \$47 million over the 2001-2005 period. Finally, the bill would authorize the appropriation of \$1 million for a one-time payment to the Tahoe Regional Planning Agency and the South Tahoe Public Utility District to develop a plan for preventing and responding to hydrocarbon contamination of surface and ground water. Assuming appropriation of that amount, we estimate that the payment would be made during fiscal year 2001.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3388 contains no intergovernmental or private-sector mandates as defined in UMRA. Local governments in the Lake Tahoe area would benefit from the payments authorized by the bill. State and local governments might incur some costs to match the federal funds, but those costs would be voluntary.

PREVIOUS CBO ESTIMATE

On July 24, 2000, CBO transmitted a cost estimate for S. 1925, similar legislation ordered reported by the Senate Committee on Energy and Natural Resources on July 13, 2000. The two bills are substantively the same, and the cost estimates are identical.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Marjorie Miller and Susan Van Deventer

Impact on the Private Sector: Sarah Sitarek

ESTIMATE APPROVED BY:

Robert A. Sunshine

Assistant Director for Budget Analysis