



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

October 12, 2000

**S. 2111**

**An act to direct the Secretary of Agriculture to convey for fair market value 1.06 acres of land in the San Bernardino National Forest, California, to KATY 101.3 FM, a California corporation**

*As passed by the Senate on October 5, 2000*

S. 2111 would authorize the Secretary of Agriculture to sell certain lands located in the San Bernardino National Forest, California. The act also would amend current law to reduce certain payments to the state of California. CBO estimates that enacting S. 2111 would have no significant net effect on the federal budget. Because the act would affect direct spending, pay-as-you-go procedures would apply, but the impact on direct spending would be negligible. S. 2111 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Since 1995, KATY 101.3 FM (KATY), a small radio station, has operated a communication tower on approximately 1 acre of land that it leases within the San Bernardino National Forest in California. S. 2111 would direct the Secretary of Agriculture to convey that property to KATY in return for a payment equal to the land's appraised full market value. The act also would require the Secretary, upon receipt of a payment by KATY of \$16,600 (the estimated amount of arrears owed by KATY to the federal government), to release KATY from all claims arising from its lease of the site. Under S. 2111, the Secretary would not be required to provide access to the site. KATY would bear all administrative costs associated with the conveyance and would have to agree to indemnify the United States against future claims regarding the property.

S. 2111 would authorize the Secretary to spend, without further appropriation, funds received from KATY to acquire other property for the San Bernardino National Forest. Based on information from the Forest Service, CBO expects that the federal government would receive as much as \$150,000 from KATY in 2001. Those payments would be recorded as offsetting receipts (a credit against direct spending), and would be spent over the 2001-2002 period.

This legislation also would reduce federal direct spending by \$150,000 a year because it would reduce the amount of federal timber receipts paid to the state of California for use by San Bernardino County. As a result of this change, the county would receive lower payments—as much as \$150,000 a year starting in 2001. Those funds would, instead, be available to the Forest Service, subject to appropriation action, for acquiring land within the county. The county's share of federal payments in lieu of taxes could increase, however, leaving its total receipts from the federal government largely unchanged. Any such increase in those payments would be subject to appropriation action. S. 2111 would have no other significant impact on the budgets of state, local, or tribal governments.

On June 15, 2000, CBO transmitted a cost estimate for H.R. 3657, a similar bill ordered reported by the House Committee on Resources on June 7, 2000. Provisions of H.R. 3657 that would authorize the Secretary of Agriculture to convey certain federal property to KATY are similar to those included in S. 2111, and our estimates of the budgetary impact of such a conveyance are the same. Differences between the two cost estimates result from additional provisions in S. 2111 that would affect federal payments to California for San Bernardino County.

The CBO staff contacts for this estimate are Megan Carroll (for federal costs), and Marjorie Miller (for the state, local, and tribal impact). This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.