



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 4, 1999

S. 416

An act to direct the Secretary of Agriculture to convey to the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility

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

CBO estimates that implementing S. 416 would reduce offsetting receipts by about \$675,000 in fiscal year 2000. Because the bill would affect offsetting receipts (a credit against direct spending), pay-as-you-go procedures would apply. Discretionary spending by the Forest Service could also increase by a small amount over the next five years. S. 416 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

S. 416 would direct the Forest Service to convey to the city of Sisters, Oregon, up to 240 acres of federal land for the city to construct a sewage treatment facility and dispose of treated effluent. The amount of acreage to be conveyed would be determined after the city completes a public review process.

Based on information from the Forest Service, we expect that the agency will sell the 240 acres to the city of Sisters and that the city will pay the Forest Service about \$675,000 for the land under current law. Under S. 416, we also expect that the Forest Service will convey the land to the city, but the legislation would allow the city to pay for the land by waiving utility construction costs and monthly service fees to the Forest Service in lieu of a cash payment for the land. Therefore, enacting this legislation would reduce offsetting receipts to the federal government by about \$675,000 in fiscal year 2000. (The reduction in Forest Service payments to the city for utility services would reduce the agency's discretionary spending, as discussed below.)

The legislation would direct the Forest Service to acquire an equivalent amount of land in the vicinity of Deschutes National Forest in Oregon, subject to appropriation of the necessary amounts. We estimate that acquiring 240 acres would cost \$675,000 over the 2002-2004 period. Taken together with the reduced discretionary spending for utility services, we estimate that implementing S. 416 would result in a net increase in discretionary spending

of less than \$500,000 over the next five years. (Discretionary savings from lower utility costs for the Forest Service would not fully offset the cost of the new land purchase for more than 10 years.)

S. 416 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The city of Sisters, Oregon, probably would incur some costs to acquire the land, but such costs would be voluntary. The legislation would impose no costs on other state, local, or tribal governments.

On May 26, 1999, CBO prepared a cost estimate for S. 416 as ordered reported by the Senate Committee on Energy and Natural Resources on May 19, 1999. The legislation was amended by the House Committee on Resources, and the cost estimates differ accordingly.

The CBO staff contacts are Victoria Heid Hall (for federal costs), and Marjorie Miller (for the impact on state and local governments). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.