



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 31, 2002

S. 1105

Grand Teton National Park Land Exchange Act

As ordered reported by the House Committee on Resources on July 24, 2002

SUMMARY

S. 1105 would authorize the Secretary of the Interior to acquire about 1,400 acres of state-owned lands and associated interests that lie within the boundaries of the Grand Teton National Park in Teton County, Wyoming. The Secretary could acquire those lands by donation, purchase, or, under certain conditions, by exchanging them for other federal lands and interests. The Secretary would manage any lands acquired under S. 1105 as part of the Grand Teton National Park.

CBO estimates that implementing S. 1105 would cost \$1 million in 2003, assuming appropriation of the necessary amounts. The legislation could affect direct spending (including offsetting receipts); therefore, pay-as-you-go procedures would apply, but we estimate that any net change in direct spending would be negligible.

S. 1105 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. This exchange would be voluntary on the part of the Wyoming state government.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For this estimate, CBO assumes that S. 1105 will be enacted near the start of fiscal year 2003 and that amounts necessary to implement this legislation will be provided soon thereafter. The estimated budgetary impact of S. 1105 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				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION ^a					
Estimated Authorization Level	1	0	0	0	0
Estimated Outlays	1	0	0	0	0

a. Enacting S. 1105 also could affect direct spending, but CBO estimates that any such effects would be negligible.

BASIS OF ESTIMATE

S. 1105 would authorize the Secretary of the Interior to acquire state-owned lands through donation or purchase, or, under certain conditions, by exchanging them for other federal lands. The act does not specify the federal lands to be exchanged but does require that they be identified for disposal under approved land use plans in effect on the date of the legislation's enactment. If lands eligible for exchange under S. 1105 are not sufficient to acquire the state's lands, S. 1105 would authorize the Secretary to identify other federal lands or interests, including mineral rights, that may be used to complete the exchange. Under S. 1105, however, a subsequent act of the Congress would be necessary to authorize the Secretary to proceed with an exchange of other such lands or interests.

Spending Subject to Appropriation

Assuming appropriation of the necessary amounts and based on information from the Bureau of Land Management (BLM), CBO estimates that the agency would spend \$1 million for administrative and analytical work associated with the acquisition authorized by S. 1105. We estimate that most of that spending would occur during 2003.

Direct Spending (including offsetting receipts)

Based on information from BLM, CBO assumes that the agency would most likely attempt to acquire the state's lands through an exchange of federal lands that have been identified for disposal. Under current law, the agency has authority to sell such lands and to keep and spend the proceeds for various purposes. Hence, we estimate that conveying lands that have been identified for disposal as part of a land exchange with Wyoming would result in forgone offsetting receipts from the sale of such lands, but that any such forgone receipts would be

fully offset by a corresponding decrease in direct spending of sale proceeds. Thus, CBO estimates that the net change in direct spending under S. 1105 would be negligible.

Alternatively, CBO estimates that conveying other federal lands and interests that are not identified for disposal could result in a net increase in direct spending. Because S. 1105 does not authorize the conveyance of such lands and interests, however, any such effects would be contingent on a future act of Congress.

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. CBO estimates that enacting S. 1105 could result in forgone receipts from the sale of federal lands identified for disposal. Because BLM has authority to spend such receipts, we also estimate that any such forgone receipts would be fully offset by a corresponding decrease in direct spending. Hence, we estimate that the net change in direct spending would be negligible.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1105 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. This exchange would be voluntary on the part of the Wyoming state government.

PREVIOUS CBO ESTIMATE

On September 10, 2001, CBO transmitted a cost estimate for S. 1105 as ordered reported by the Senate Committee on Energy and Natural Resources on August 2, 2001. Differences in our estimates of spending subject to appropriation reflect a change in our assumption regarding when the legislation will be enacted.

Unlike the House Resources Committee's version of S. 1105, the Senate Committee on Energy and Natural Resources' version of S. 1105 would authorize the Secretary to convey federal lands and interests that are not identified for disposal as part of a land exchange to acquire Wyoming's lands. As a result, for that version of the legislation, CBO assumed the Secretary would convey to the state the reserved royalty interest in one or more oil or gas

leases that are expected to produce a stream of royalties with a net present value equal to the estimated value of the state lands. Hence, we estimated that the previous version of this legislation would result in a net increase in direct spending of \$23.5 million over the 2003-2011 period.

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