



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 17, 2002

S. 1240

Timpanogos Interagency Land Exchange Act

As ordered reported by the House Committee on Resources on September 12, 2002

SUMMARY

CBO estimates that implementing S. 1240 would cost \$9 million over the 2003-2005 period, assuming appropriation of the necessary amounts. The act would increase direct spending by resulting in the loss of offsetting receipts; therefore, pay-as-you-go procedures would apply, but we estimate that those effects would not exceed \$1,000 annually. S. 1240 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no significant impact on the budgets of state, local, or tribal governments.

S. 1240 would authorize the Secretary of Agriculture to exchange certain federal lands in Utah for privately owned lands in that state. If the value of the lands are not equal, the Secretary could accept or make cash equalization payments. Following the exchange, S. 1240 would direct the Secretary of the Interior to build administrative and visitor facilities on the acquired lands. Under the legislation, both agencies would jointly occupy, operate, and maintain the proposed facilities.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For this estimate, CBO assumes that S. 1240 will be enacted near the end of fiscal year 2002 and that funds necessary to implement the legislation will be provided near the start of each year. Estimates of outlays are based on historical spending patterns for similar activities. The estimated budgetary impact of S. 1240 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	2	5	2	0	0
Estimated Outlays	2	5	2	0	0

a. Enacting S. 1240 would also have a very small impact on direct spending—an increase of less than \$1,000 a year.

BASIS OF ESTIMATE

S. 1240 would authorize the Secretary of Agriculture to exchange roughly 266 acres of federal lands in Utah for about 37 acres of privately owned lands in that state. According to the Forest Service, the federal lands that would be exchanged under S. 1240 currently generate less than \$1,000 a year in offsetting receipts (a credit against direct spending) from grazing permits. Hence, we estimate that exchanging the lands would increase direct spending by that amount each year.

S. 1240 would direct the Secretary of the Interior to construct administrative and visitor facilities on the lands acquired by the Secretary of Agriculture. Based on preliminary plans for the proposed facilities provided by the National Park Service (NPS), CBO estimates that building those structures would cost \$9 million over the 2003-2005 period, assuming appropriation of the necessary amounts. Under the bill, the NPS and the Forest Service would jointly occupy the new buildings and share annual costs to operate and maintain them. Based on information from the agencies, we estimate that any increase in federal spending for such costs would not exceed \$200,000 a year.

According to the Forest Service, the agency would probably make payments to the private landowner to compensate for differences in the value of lands exchanged. Based on information from the agency on the estimated value of those lands, we estimate that such payments, which would be subject to appropriation, would be less than \$200,000.

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 land exchange authorized by S. 1240 would result in forgone offsetting receipts from grazing permits; hence, pay-as-you-

go procedures would apply, but we estimate that any such effects would total less than \$1,000 annually.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1240 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no significant impact on the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On June 21, 2002, CBO transmitted a cost estimate for S. 1240 as ordered reported by the Senate Committee on Energy and Natural Resources on June 5, 2002. The two versions of the legislation are identical, and our cost estimates are the same.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Jean Talarico

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis