



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 4, 2002

S. 1340

Indian Probate Reform Act of 2002

As ordered reported by the Senate Committee on Indian Affairs

S. 1340 would amend laws that govern how an individual's interest in Indian allotments (certain parcels of land that are owned by individuals or groups of individuals) is transferred upon the death of the owner. Based on information for the Bureau of Indian Affairs (BIA), CBO estimates that implementing S. 1340 would cost about \$1 million in fiscal year 2003, assuming the availability of appropriated funds, to train BIA estate planning assistants and to notify individual allotment interest owners and Indian tribes of the changes in this law. CBO estimates that enacting S. 1340 would not affect direct spending or revenues.

S. 1340 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

S. 1340 would impose new private-sector mandates, but CBO estimates that the total direct costs of those mandates would not exceed the annual threshold established in UMRA (\$115 million in 2002, adjusted annually for inflation) for any of the first five years that the mandates are in effect.

By placing new eligibility and distribution requirements on the inheritance of interests in Indian trust and restricted lands, S. 1340 would impose new private-sector mandates on those persons who might otherwise inherit such interests under current law. The loss of inheritance (or a portion of an inheritance) could impose direct costs on people who would otherwise receive an interest in such property. CBO expects that the mandates would affect only a limited number of such people in the near term. At the earliest, mandates in the bill would take effect only upon the death of an owner of land interests. Further, the mandates would only apply to interests in trust or restricted land of someone who died without a will. Although requirements in the bill would affect some heirs, many such cases would involve only a small fractional interest in land. Thus, CBO estimates that the costs of private-sector mandates in the bill would not exceed the annual threshold established in UMRA in any of the first five years that the mandates are in effect.

The CBO staff contacts for this estimate are Lanette J. Walker (for federal costs) and Cecil McPherson (for the impact on the private sector). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.