



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 29, 2003

H.R. 2040

A bill to amend the Irrigation Project Contract Extension Act of 1998 to extend certain contracts between the Bureau of Reclamation and certain irrigation water contractors in the states of Wyoming and Nebraska

As ordered reported by the House Committee on Resources on July 9, 2003

H.R. 2040 would extend—for up to two years—contracts between the Bureau of Reclamation and purchasers of irrigation water in Wyoming and Nebraska that receive water from the Glendo Reservoir. The existing contracts will expire on December 31, 2003; however, the Secretary of the Interior has the authority under current law to renew these contracts on an annual basis. Such annual renewals require the Secretary to prepare an environmental impact statement and carry out mitigation efforts. Under H.R. 2040, the bureau would avoid the costs associated with annual renewals.

CBO estimates that enacting H.R. 2040 would have no significant impact on the federal budget. Based on information provided by the Bureau of Reclamation, CBO estimates that enacting H.R. 2040 would allow the bureau to avoid costs of less than \$500,000 in 2004 and smaller amounts in future years. Those costs are subject to the availability of appropriated funds, but the agency is reimbursed by individuals contracting for water and the reimbursements are deposited in the Treasury as offsetting receipts (a form of direct spending). The potential loss of offsetting receipts would match the potential reduction in spending subject to appropriation, and we estimate that both would be insignificant.

H.R. 2040 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Enacting this bill would benefit the contractors affected by this bill, which are generally governmental entities, because it would allow them to avoid the costs of annual renewals.

The CBO staff contact for federal costs is Julie Middleton. The contact for the impact on state and local governments is Marjorie Miller. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.