



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 27, 2004

H.R. 4808

A bill to provide for a land exchange involving private land and Bureau of Land Management land in the vicinity of Holloman Air Force Base, New Mexico, for the purpose of removing private land from the required safety zone surrounding munitions storage bunkers at Holloman Air Force Base

As ordered reported by the House Committee on Resources on September 15, 2004

CBO estimates that implementing H.R. 4808 would not significantly affect the federal budget. The bill could affect direct spending (including offsetting receipts), but we estimate that any such effects would be negligible. Enacting H.R. 4808 would not affect revenues. H.R. 4808 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not significantly affect the budgets of state, local, or tribal governments.

H.R. 4808 would direct the Secretary of the Interior to convey 240 acres of federal land and associated interests in New Mexico to private landowners. In exchange, those landowners would convey 241 acres of land and associated interests to the Secretary. Under the bill, the value of the properties to be exchanged must be approximately equal. According to the Bureau of Land Management (BLM), the federal land is worth considerably more than the private land. Thus, based on information from BLM, CBO expects that the Secretary would reduce the amount of federal land conveyed so that its value would be similar to that of the privately owned land.

Conveying federal land and associated interests could reduce future receipts if, under current law, that land would generate income from programs to develop natural resources. According to BLM, however, the federal land to be conveyed generates no significant offsetting receipts (a credit against direct spending) and is not expected to do so over the next 10 years. Hence, we estimate that any forgone offsetting receipts under H.R. 4808 would be negligible. We also estimate that federal spending for appraisals related to the proposed exchange would not exceed \$100,000 in 2005; such spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Megan Carroll. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.