



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

January 3, 2006

**S. 1708
Emergency Lease Requirements Act of 2005**

*As ordered reported by the Senate Committee on Environment and Public Works
on November 17, 2005*

CBO estimates that implementing S. 1708 would have no significant impact on the federal budget. Enacting the bill would not affect direct spending or revenues. S. 1708 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Under current law, the General Services Administration (GSA) is responsible for leasing privately owned properties for use by federal agencies. Spending for such activities is subject to appropriation of the necessary amounts for annual lease payments. Leases that are estimated to cost more than \$2.4 million must be approved by the Congressional committees with jurisdiction over GSA. During emergency situations, however, GSA is authorized to agree to leases for up to 180 days without approval of the Congressional committees with jurisdiction over GSA.

S. 1708 would amend current law to allow GSA, following a major disaster, to enter into emergency lease agreements of up to five years without the approval of Congressional committees with jurisdiction over GSA. Based on information from GSA, CBO estimates that the proposed change in leasing procedures would not significantly affect GSA's current operations and spending patterns. CBO expects that the bill would not have a significant impact on spending for GSA leases following the recent hurricanes in the Gulf coast. This legislation could lead to faster federal spending following disasters if the federal government is forced to relocate operations to leased space, however, any such spending would be subject to the availability of appropriated funds.

On November 14, 2005, CBO transmitted a cost estimate for H.R. 4125, a bill to permit the Administrator of General Services to make repairs and lease space without approval if the repair or lease is required as a result of damages to buildings or property attributable to Hurricane Katrina and Rita, as ordered reported by the House Committee on Transportation and Infrastructure on October 26, 2005. The two pieces of legislation are similar in

providing additional emergency leasing authorities for GSA, but S. 1708 has broader emergency leasing authorities. The cost estimates are identical.

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