



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 13, 2009

H.R. 1275 **Utah Recreational Land Exchange Act of 2009**

As cleared by the Congress on August 5, 2009

H.R. 1275 would authorize a land exchange between the federal government and the state of Utah. The act would specify certain procedures for equalizing the values of lands and interests to be exchanged and imposes other conditions on the transaction. In particular, under the act, the federal government would reserve an interest in any oil shale resources conveyed to the state.

CBO estimates that implementing H.R. 1275 would have no significant net impact on discretionary or mandatory spending and no effect on revenues.

Based on information provided by the Bureau of Land Management (BLM), CBO estimates that the approximately 36,000 acres of federal lands to be conveyed under H.R. 1275 currently generate net offsetting receipts (a credit against direct spending) totaling less than \$50,000 annually, primarily for grazing. Although some of those lands have the potential for mineral development, CBO expects that they are unlikely to be leased over the next 10 years. Therefore, we estimate that forgone net receipts under the act over the 2010-2019 period would be minimal, as would any new receipts that might be earned on the approximately 46,000 acres that would be received from the state.

Also, under H.R. 1275, the federal government would reserve a 50 percent interest in future royalties, bonus bids, and other payments that Utah might receive if the lands being transferred to it are ever developed for oil shale. Because BLM typically retains half of any receipts from mineral leasing on federal land under current law, CBO expects that this provision would have no significant effect on the federal budget.

The CBO staff contacts for this estimate are Deborah Reis and Megan Carroll. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.