



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 7, 2010

### **H.R. 3726** **Castle Nugent National Historic Site Establishment Act of 2009**

*As ordered reported by the House Committee on Natural Resources  
on December 16, 2009*

H.R. 3726 would establish Castle Nugent on the island of St. Croix in the U.S. Virgin Islands as a unit of the National Park System. The historic agricultural site encompasses about 8,600 acres of submerged lands owned by the Virgin Islands and 2,900 acres of nonsubmerged lands that are privately owned. The bill would allow the National Park Service (NPS) to acquire that property by purchase, donation, or exchange.

Based on information from the NPS, CBO estimates that implementing H.R. 3726 would cost \$26 million over the next five years, assuming appropriation of the necessary amounts, mostly to acquire about half of the total acreage. Currently the NPS estimates that the entire parcel (2,900 acres of nonsubmerged land) has a value of about \$45 million and would take 10 years to acquire. Based on that information, CBO expects that most of the private land acquisition would be accomplished by purchase and the public lands through donations and exchanges. In addition, CBO estimates that NPS would need about \$1 million to develop a general management plan, including the site's future needs for resource protection, visitor services, and other operational needs. Finally, we estimate that NPS would need about \$1 million annually to manage the new area. Enacting H.R. 3726 would have no effect on direct spending or revenues.

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

CBO expects that H.R. 3726 would impose no private-sector mandates as defined in UMRA because NPS indicates that it expects to acquire properties for the Castle Nugent National Historic Site without using condemnation. If, however, the Secretary determines that condemnation is necessary to acquire a property, such use of condemnation would be a private-sector mandate as defined in UMRA. The cost of the mandate would be equal to the fair-market value of the property. Since, according to the NPS, the value of property that may be obtained is no more than \$50 million, CBO estimates that the cost of the mandate, if imposed, would fall well below the annual threshold established in UMRA for private-sector mandates (\$141 million in 2010, adjusted annually for inflation).

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs) and Amy Petz (for the impact on the private sector). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.