



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 10, 2012

H.R. 1272 **Minnesota Chippewa Tribe Judgment Fund Distribution Act of 2012**

As ordered reported by the Senate Committee on Indian Affairs on June 28, 2012

H.R. 1272 would authorize the Secretary of the Interior to disburse amounts held in trust for the Minnesota Chippewa Tribe. In 1999, a \$20 million settlement was transferred from the Treasury's Judgment Fund to the Department of the Interior (DOI) and held in trust for the Minnesota Chippewa Tribe pending legislation to release the funds. Under the Indian Tribal Judgment Funds Use or Distribution Act of 1973, if the Secretary of the Interior cannot obtain consent from the tribal governing body concerning the distribution of an award within 180 days after the funds have been appropriated, legislation is required to authorize the distribution of such funds. In fiscal year 2010, the Chippewa's Tribal Executive Council (TEC) approved a resolution describing how to distribute the settlement amount among the bands of the tribe and individuals. Though the federal government transferred ownership of the funds to the tribe when the funds were expended from the Judgment Fund, the federal government has retained fiduciary responsibility over the amounts until they are distributed. The act would make the disbursement of the funds contingent on the tribe submitting updated membership rolls.

Based on information provided by DOI, CBO estimates that implementing H.R. 1272 would have no significant cost to distribute the settlement funds. The settlement amount was considered a federal expenditure when it was transferred from the Judgment Fund to DOI because the tribe received ownership of the funds. Therefore, the ultimate distribution of the settlement and accrued interest is not a budgetary outlay of the federal government. CBO estimates that the total amount to be distributed under the act would be about \$29 million, which includes the \$20 million settlement and about \$9 million in accrued interest payments. Enacting H.R. 1272 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1272 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. Enacting the legislation would benefit the Minnesota Chippewa Tribe.

On May 16, 2012, CBO transmitted a cost estimate for H.R. 1272 as ordered reported by the House Committee on Natural Resources on April 25, 2012. The two versions of the legislation are similar and the CBO cost estimates are the same.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.