



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 1, 2012

H.R. 1734 **Civilian Property Realignment Act**

*An amendment in the nature of a substitute,
transmitted to the Congressional Budget Office on January 24, 2012*

SUMMARY

H.R. 1734 would establish the Civilian Property Realignment Commission (CPRC) to provide recommendations to better manage federal buildings and facilities. The bill would require the commission to recommend the sale of at least five specific civilian facilities that have a combined estimated fair market value of at least \$500 million. The legislation also would authorize the appropriation of \$20 million to fund the commission and \$62 million to implement the commission's recommendations. Recommendations of the commission, including sale of high-value property, could not be implemented unless approved in subsequent legislation.

Assuming appropriation of the specified amounts, CBO estimates that implementing H.R. 1734 would cost \$3 million in 2012 and \$68 million over the 2012-2017 period. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1734 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1734 over the 2012-2017 period is shown in the following table. The costs of this legislation fall within all budget functions that contain facilities and properties other than 050 (national defense).

	By Fiscal Year, in Millions of Dollars						2012- 2017
	2012	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Civilian Property Realignment Commission							
Authorization Level	20	0	0	0	0	0	20
Estimated Outlays	1	3	3	3	3	3	16
Asset Proceeds and Space Management Fund							
Authorization Level	62	0	0	0	0	0	62
Estimated Outlays	2	10	10	10	10	10	52
Total Changes							
Authorization Level	82	0	0	0	0	0	82
Estimated Outlays	3	13	13	13	13	13	68

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2012, that the funds authorized to be appropriated to the commission will be provided, and that spending will follow historical patterns for similar management efforts.

Civilian Property and Realignment Commission

H.R. 1734 would establish an independent commission to make recommendations to the Congress to better manage the inventory of federal civilian real property. The commission, consisting of eight members appointed by the President, would report annually on their findings. Under the bill, the commission would identify and recommend the sale of at least five high-value federal properties with an estimated total fair market value of at least \$500 million. Because the implementation of the commission's recommendations would require the Congress to enact subsequent legislation approving the recommendations, any estimated receipts from property sales would be attributed to that subsequent legislation. Under the bill, the eight-member CPRC would terminate after six years. H.R. 1734 would authorize the appropriation of \$20 million for the commission's expenses. Assuming appropriation of the specified amount, CBO estimates that commission would spend about \$3 million annually over the 2012-2017 period.

Asset Proceeds and Space Management Fund

H.R. 1734 would establish a fund to help agencies manage the recommendations of the CPRC. During its six-year term, the CPRC would work with the General Services Administration and other civilian agencies that have authority to manage real property to

consolidated, reconfigured, redeveloped, or used to co-locate agency operations. The bill would authorize the appropriation of \$62 million for those purposes. Assuming appropriation of the specified amount, CBO estimates that agencies would spend about \$10 million annually over the 2012-2017 period to analyze and review their real estate holdings.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1734 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATES

On December 8, 2011, CBO transmitted a cost estimate for H.R. 1734, the Civilian Property Realignment Act, as ordered reported by the House Committee on Transportation and Infrastructure. The two pieces of legislation each address federal property, but have different provisions. H.R. 1734 as ordered reported by the House Committee on Transportation and Infrastructure would provide the commission with broad authorities to: sell and otherwise dispose of government property (without subsequent Congressional action); transfer the headquarters building of the Federal Trade Commission to the National Gallery of Art; sell the National Women's History Museum a specific parcel of federal land; study the sale of the Department of Energy's Washington, D.C., headquarters; and sell the construction site and terminate the construction of a new federal courthouse in Los Angeles, California. Those provisions are not included in this version of the bill; the estimated costs of the two versions of H.R. 1734 reflect those differences.

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