



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 22, 2013

H.R. 255

A bill to amend certain definitions contained in the Provo River Project Transfer Act for purposes of clarifying certain property descriptions

*As ordered reported by the House Committee on Natural Resources
on July 31, 2013*

H.R. 255 would direct the Secretary of the Interior to transfer the title of the water conveyance facilities located on the Provo Reservoir to the Provo River Water Users Association. Based on information from the Bureau of Reclamation, CBO estimates that implementing the legislation would affect net direct spending; therefore, pay-as-you-go procedures apply. However, we expect that those impacts would be insignificant. The legislation would not affect revenues.

The bureau had the authority to transfer the title to the Provo Reservoir Canal to the association as the project existed in 2004. The facilities have been modified since 2004, so that transfer authority no longer applies. H.R. 255 would direct the bureau to transfer the title to the water conveyance facilities associated with the Provo Reservoir, including bridges, lands, and pipelines. Upon transfer of the title, the association would be required to pay, in one lump sum, the present value of the remaining costs for construction of the canal and the value of receipts that the bureau would no longer collect for issuing special-use permits and selling surplus water.

Based on information from the bureau, if H.R. 255 is enacted, CBO expects that the bureau would transfer the title to the Provo Reservoir facilities in 2014. Upon transfer, the association would pay the U.S. Treasury about \$700,000. Annual offsetting receipts would decrease by about \$60,000 because the association would no longer make annual payments of about \$40,000 for the canal's construction cost, and the bureau would no longer collect amounts for issuing special-use permits and selling surplus water, which total about \$20,000 each year. In total, CBO estimates that enacting the legislation would result in a net reduction in direct spending of about \$400,000 over the 2014-2018 period and \$100,000 over the 2014-2023 period.

H.R. 255 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On June 7, 2013, CBO transmitted a cost estimate for S. 211, a bill to amend certain definitions contained in the Provo River Project Transfer Act for purposes of clarifying certain property descriptions, as ordered reported by the Senate Committee on Energy and Natural Resources on May 16, 2013. The two pieces of legislation are identical, and the estimated costs are the same.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.