



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

November 20, 2014

**H.R. 3608**  
**Grand Portage Band Per Capita Adjustment Act**

*As ordered reported by the House Committee on Natural Resources on September 18, 2014*

H.R. 3608 would exempt certain payments from the state of Minnesota to individuals of the Grand Portage Band of Lake Superior Chippewa Indians from federal and state income taxes and from being used in the calculation of those individuals' eligibility for certain federal benefits. The tribe receives about \$1.6 million annually from the state of Minnesota as compensation for waiving the tribe's treaty rights to manage fish and wildlife resources on tribal property.

CBO estimates that implementing H.R. 3608 would have no significant effect on the federal budget. Enacting H.R. 3608 would affect direct spending because it would increase the number of people eligible for some federal entitlement programs, such as Medicaid, Social Security, or the Supplemental Nutrition Assistance Program; therefore, pay-as-you-go procedures apply. However, CBO estimates that additional costs would be insignificant in each year and over the 2015-2024 period. Enacting H.R. 3608 would not affect revenues.

H.R. 3608 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by exempting some income of members of the Grand Portage Band from state income taxes. Because both the amount of income to be exempt and the number of people affected are small, CBO estimates the cost of the mandate also would be small and well below the threshold established in UMRA (\$76 million in 2014, adjusted annually for inflation). The bill contains no new private-sector mandates.

The CBO staff contacts for this estimate are Martin von Gnechten (for federal costs) and Melissa Merrell (for state and local impacts). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.