



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 9, 2014

S. 182 **Anchorage Land Conveyance Act of 2014**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on November 13, 2014*

S. 182 would require the Bureau of Land Management (BLM) to convey, at the request of the city of Anchorage, Alaska, the reversionary interest to 3 parcels of land totaling roughly 3 acres. Under the bill, the city would be required to pay full market value to acquire the parcels. CBO estimates that enacting the legislation would increase offsetting receipts, which are treated as reductions in direct spending, by about \$1 million; therefore, pay-as-you-go procedures apply. Enacting S. 182 would not affect revenues.

Formal appraisals of the properties that are the subject of this legislation have not been completed. Based on information regarding the value of similar properties, CBO estimates that the fair market value of the affected parcels would total roughly \$2 million. It is uncertain whether the city would purchase those parcels under the bill. CBO expects there is an equal chance that the city would or would not purchase the property. Because of that uncertainty, we estimate that enacting the bill would increase offsetting receipts by about \$1 million in 2015. In addition, under the bill, the city would be responsible for any administrative costs associated with the conveyance.

S. 182 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit the municipality of Anchorage, Alaska. Any costs to the municipality resulting from the land conveyance would be incurred voluntarily.

On November 7, 2013, CBO transmitted a cost estimate for H.R. 585, the Anchorage Land Conveyance Act of 2013, as ordered reported by the House Committee on Natural Resources on October 30, 2013. Both bills would require the conveyance of the affected lands; however, under H.R. 585, the lands would be conveyed without consideration. That difference is reflected in the cost estimates for the two bills.

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