



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 4, 2013

S. 368 **Federal Land Transaction Facilitation Act Reauthorization of 2013**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on May 16, 2013*

SUMMARY

S. 368 would reauthorize the Federal Land Transaction Facilitation Act (FLTFA) to allow certain federal agencies to spend, without further appropriation, proceeds from the sale of land administered by the Bureau of Land Management (BLM) to purchase inholdings (privately held land surrounded by federal land). Based on information provided by BLM, CBO estimates that enacting the legislation would increase both the proceeds from the sale of federal property and the spending of sale proceeds. On balance, CBO estimates that enacting the legislation would yield a small net reduction in direct spending of \$5 million over the 2014-2023 period—primarily because spending would lag behind collections over the next 10 years. Because S. 368 would affect direct spending, pay-as-you-go procedures apply. Enacting the legislation would not affect revenues.

S. 368 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 368 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2019-2023	
CHANGES IN DIRECT SPENDING													
Proceeds from Sale of Property ^a													
Estimated Budget Authority	-2	-3	-4	-5	-6	-8	-10	-12	-14	-16	-20	-80	
Estimated Outlays	-2	-3	-4	-5	-6	-8	-10	-12	-14	-16	-20	-80	
Spending of Sales Proceeds													
Estimated Budget Authority	3	4	5	6	7	9	11	13	15	17	25	90	
Estimated Outlays	2	3	4	5	6	7	9	11	13	15	20	75	
Total Changes													
Estimated Budget Authority	1	1	1	1	1	1	1	1	1	1	5	10	
Estimated Outlays	0	0	0	0	0	-1	-1	-1	-1	-1	0	-5	

a. The amounts of sale proceeds shown in the table reflect expected increases in collections under S. 368. In addition, CBO estimates that the Bureau of Land Management will collect \$10 million over the 2014-2023 period for such sales under current law.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted late in 2013.

Under current law, proceeds from the sale of BLM land are deposited in the Treasury as offsetting receipts (which are treated as reductions in direct spending). CBO estimates that such proceeds will total \$10 million over the 2014-2023 period. Because, under the bill, BLM could spend those proceeds to pay for administrative costs associated with land sales, CBO estimates that implementing the legislation would lead to more sales, thus proceeds (relative to current law) would increase by \$80 million over the next 10 years. Overall, we estimate that gross proceeds from the sale of BLM land would total around \$90 million over 2014-2023 period.

CBO estimates, however, that annual proceeds from the sale of BLM land over the next 10 years would be lower (on average) than historical collections under FLTFA, which expired in 2011. Over the 2001-2011 period, proceeds under the program totaled roughly \$120 million, with most of that amount generated by sales near urban areas in Nevada and Arizona in 2006 and 2007. Because the amount of future proceeds is related to economic conditions in those areas, we expect that gross proceeds in the future would be significantly lower, although they would increase over the 10-year period as additional sales take place near those urban areas.

Because the bill would authorize four land-management agencies (BLM, the U.S. Fish and Wildlife Service, the National Park Service, and the Forest Service) to spend, without further appropriation, proceeds from the sale of BLM land, including amounts expected to

be collected under current law, CBO also estimates that implementing the legislation would increase direct spending over the 2014-2023 period. Based on the historical rate of spending for the FLTFA program and for other federal land acquisition activities, CBO expects that those agencies would spend \$75 million over the 2014-2023 period, resulting in a net reduction in direct spending of \$5 million over that period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. S. 368 would reduce direct spending; therefore, pay-as-you-go procedures apply. The budgetary changes that are subject to pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for S. 368, the Federal Land Transaction Facilitation Reauthorization Act of 2013, as ordered reported by the Senate Committee on Energy and Natural Resources on May 16, 2013

	By Fiscal Year, in Millions of Dollars											2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	-1	-1	-1	-1	-1	0	-5

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 368 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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