



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 8, 2015

H.R. 2406 **SHARE Act**

*As ordered reported by the House Committee on Natural Resources
on October 8, 2015*

SUMMARY

H.R. 2406 would amend existing laws and establish new laws related to the management of federal lands. It would authorize the sale of certain federal land and permit the receipts from those sales to be spent. The bill also would authorize the appropriation of \$5 million a year to enforce laws related to the illegal trading of ivory. Based on information provided by the affected agencies, CBO estimates that implementing the legislation would cost \$24 million over the 2016-2020 period and \$1 million after 2020, assuming appropriation of the authorized and necessary amounts.

Because CBO estimates that enacting the bill would affect direct spending, pay-as-you-go procedures apply. However, CBO estimates that the net effect on direct spending would be negligible over the 2016-2025 period. Enacting H.R. 2406 would not affect revenues. CBO also estimates that enacting H.R. 2406 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 2406 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state agencies by lowering the matching requirement for federal grants that support public shooting ranges. Any costs incurred by those entities would be incurred voluntarily.

H.R. 2406 would impose a private-sector mandate, as defined in UMRA, by eliminating an individual's existing right to seek compensation for damages occurring at some public target ranges. Based on information from the Department of the Interior, CBO estimates that the cost of the mandate would be small and fall well below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2406 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 | | | | | | | | | | | | |
|---|--|------|------|------|------|------|------|------|------|------|-----------|-----------|--|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2016-2020 | 2016-2025 | |
| CHANGES IN DIRECT SPENDING | | | | | | | | | | | | | |
| Proceeds from Sale of Property ^a | | | | | | | | | | | | | |
| Estimated Budget Authority | -2 | -3 | -4 | -5 | -6 | -8 | -8 | 0 | 0 | 0 | -20 | -36 | |
| Estimated Outlays | -2 | -3 | -4 | -5 | -6 | -8 | -8 | 0 | 0 | 0 | -20 | -36 | |
| Spending of Sales Proceeds | | | | | | | | | | | | | |
| Estimated Budget Authority | 3 | 4 | 5 | 6 | 7 | 9 | 9 | 0 | 0 | 0 | 25 | 43 | |
| Estimated Outlays | 2 | 3 | 4 | 5 | 6 | 7 | 9 | 0 | 0 | 0 | 20 | 36 | |
| Total Changes | | | | | | | | | | | | | |
| Estimated Budget Authority | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 5 | 7 | |
| Estimated Outlays | * | * | * | * | * | -1 | 1 | 0 | 0 | 0 | * | 0 | |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | | | | | | | | | |
| Estimated Authorization Level | 5 | 5 | 5 | 5 | 5 | * | * | * | * | * | 25 | 25 | |
| Estimated Outlays | 4 | 5 | 5 | 5 | 5 | 1 | * | * | * | * | 24 | 25 | |

Note: Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

a. The amounts of sale proceeds shown in the table reflect expected increases in collections under H.R. 2406. In addition to those amounts, CBO estimates that the Bureau of Land Management will collect \$10 million over the 2016-2025 period from land sales under current law.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2016 and that the necessary amounts will be appropriated for each fiscal year.

Direct Spending

CBO estimates that enacting H.R. 2406 would have a negligible effect on direct spending over the 2016-2025 period. Title IX, which would reauthorize the Federal Land Transaction Facilitation Act (FLTFA) through July 25, 2022, would increase offsetting receipts from land sales and associated direct spending by \$36 million over the 2016-2022 period. On balance, title IX would have no net effect on direct spending over that period. Other provisions in the bill would have a negligible effect on direct spending.

Federal Land Transaction Facilitation Act. Title IX would reauthorize FLTFA and 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 from BLM, CBO estimates that enacting title IX would increase both the proceeds from the sale of federal property and the spending of those proceeds. On balance, CBO estimates that enacting title IX would have no net effect on direct spending over the 2016-2022 period.

Under current law, proceeds from the sale of BLM land are deposited in the Treasury as offsetting receipts. CBO estimates that such proceeds will total \$7 million over the 2016-2022 period and are not available to be spent without appropriation. Because, under the bill, BLM could spend those proceeds to pay for administrative costs associated with other land sales, CBO estimates that enacting the legislation would lead to more sales, and that collections would increase by \$36 million over that period. Under the bill, we estimate that new spending authority from the proceeds of the sale of BLM land would total around \$43 million over 2016-2022 period.

CBO estimates that annual proceeds from the sale of BLM land over the next 7 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. Most of those collections were generated by sales near urban areas in Nevada and Arizona in 2006 and 2007. Because the amount of future proceeds would be related to housing market conditions in those areas, we expect that total proceeds in the future would be lower, although they would increase annually through 2022 as additional sales take place near those urban areas.

Title IX also 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. Thus, CBO estimates that enacting title IX would increase direct spending over the 2016-2022 period. Based on the historical rate of spending for FLTFA program and for other federal land acquisition activities, CBO expects that those agencies would spend \$36 million over the 2016-2022 period. As a result, CBO estimates that enacting title IX would have no net effect on direct spending over that period.

Interest Earned on Amounts in the Wildlife Restoration Fund (WRF). Title XII would amend current law to change how interest earned on amounts in the WRF could be spent but not the amounts available to be spent. Because the amounts available to be spent would not be affected, CBO estimates that enacting title XII would have a negligible net effect on direct spending.

Fees for Commercial Filming Activities. Title XIII would require the Secretaries of Agriculture and the Interior to charge a permit fee of \$200 a year for crews of five persons or fewer that conduct commercial filming activities on certain federal lands. Under current law, some of the affected agencies collect fees for those activities to recover any costs the agencies incur in administering such activities. Those agencies are authorized to spend the collections without further appropriation. CBO expects that, under the bill, certain film crews would pay less than the amounts required under current law and others would pay more. However, because the affected agencies would have the authority to spend any proceeds from fees established under the bill, we estimate that enacting title XIII would have a negligible effect on net direct spending.

Spending Subject to Appropriation

Title X would amend and reauthorize the African Elephant Conservation Act. The bill would authorize the appropriation of \$5 million a year over the 2016-2020 period for the Fish and Wildlife Service to enforce laws aimed at preventing the illegal trading of ivory. The bill would authorize the Secretary of the Interior to station law enforcement officers in African countries with elephant populations and to identify countries where illegal ivory trade is occurring. Assuming appropriation of the authorized amounts, CBO estimates that implementing title X would cost \$24 million over the 2016-2020 period and \$1 million after 2020.

H.R. 2406 also contains provisions that would affect the possession, transport, and use of certain hunting and fishing equipment on federal lands, impose certain reporting requirements, and allow for the importation of certain polar bear remains. Based on information provided by the affected agencies, CBO expects that many of those provisions would have little or no effect on the agencies' activities relative to current law. Thus, we estimate that implementing those provisions would have an insignificant effect on the federal budget.

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. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 2406, as ordered reported by the House Committee on Natural Resources on October 16, 2015

| | By Fiscal Year, in Millions of Dollars | | | | | | | | | | | | |
|--|--|------|------|------|------|------|------|------|------|------|-----------|-----------|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2016-2020 | 2016-2025 | |
| NET INCREASE OR DECREASE (-) IN THE DEFICIT | | | | | | | | | | | | | |
| Statutory Pay-As-You-Go Impact | 0 | 0 | 0 | 0 | 0 | -1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |

INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2406 contains no intergovernmental mandates as defined in UMRA and would benefit state agencies by lowering the matching requirement for federal grants that support public shooting ranges. Any costs incurred by those entities would be incurred voluntarily.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill would impose a private-sector mandate as defined in UMRA by eliminating an individual’s existing right to seek compensation from the federal government for damages occurring at a public target range supported by federal funds. The cost of the mandate would be the forgone value of awards and settlements in such claims. Information from the Department of the Interior indicates that few, if any, of those types of lawsuits are brought against the U.S. government. Because such claims would probably continue to be uncommon, CBO estimates that the cost of the mandate would be small and fall well below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

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