CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 18, 2016

S. 556
Sportsmen's Act of 2015

As reported by the Senate Committee on Energy and Natural Resources on December 16, 2015

SUMMARY

S. 556 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 proceeds from those sales to be spent. The bill also would establish a fund to carry out deferred maintenance projects on lands administered by the National Park Service (NPS) and would permanently authorize the transfer of funds to the Land and Water Conservation Fund (LWCF).

CBO estimates that enacting the bill would increase both direct spending and offsetting receipts (which are treated as reductions in direct spending) by $65 million and $80 million respectively over the 2017-2026 period; therefore, pay-as-you-go procedures apply. Enacting S. 556 would not affect revenues. Based on information from the affected agencies, CBO also estimates that implementing the legislation would cost $486 million over the 2017-2021 period, assuming appropriation of the amounts authorized to be deposited into the NPS Maintenance and Revitalization Fund.

CBO estimates that enacting S. 556 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 556 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state, local, and tribal agencies by authorizing federal grants to support conservation, historic preservation, and recreational activities. Any costs would be incurred by those entities, including matching contributions, would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 556 is shown in the following table; those effects fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
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	2	3	4	5	6	8	10	12	14	17	20	81
Estimated Outlays	1	2	3	4	5	6	8	10	12	14	15	65
Total Changes												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	1	0	1
Estimated Outlays	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-5	-15
CHANGES IN SPENDING SUBJECT TO APPROPRIATION												
Estimated Authorization Level	150	150	150	150	150	150	150	150	150	150	750	1,500
Estimated Outlays	33	71	108	131	143	143	143	143	143	143	486	1,201

a. The sale proceeds shown in the table reflect expected increases in collections under S. 556. In addition to those amounts, CBO estimates that the Bureau of Land Management will collect $10 million over the 2017-2026 period from land sales under current law.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2016 and the authorized amounts will be deposited in the NPS Maintenance and Revitalization Fund each fiscal year.

Direct Spending

CBO estimates that enacting S. 556 would reduce net direct spending by $15 million over the 2017-2026 period. Title V, which would reauthorize the Federal Land Transaction Facilitation Act (FLTFA), would increase offsetting receipts from land sales by $80 million and associated direct spending by $65 million over that period. Other provisions in the bill would have negligible net effects on direct spending.

Federal Land Transaction Facilitation Act. Title V would permanently reauthorize FLTFA and allow certain federal agencies to spend, without further appropriation, a portion of the 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 V would increase both the proceeds from the sale of federal property and the spending of those proceeds. On balance, CBO estimates that enacting title V would reduce direct spending by $15 million over the 2017-2026 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 $1 million a year over the 2017-2026 period. Those amounts are not available to be spent without appropriation. Under the bill, the agency would be required to deposit $1 million a year into the general fund of the U.S. Treasury through 2025. The agency could spend any remaining proceeds (including $1 million that CBO estimates would be collected under current law in 2026). Because, under the bill, BLM could spend proceeds from land sales to pay for administrative costs associated with other land sales, CBO estimates that enacting the bill would lead to an increase in the amount of land sold, and collections would increase by $80 million over that period.

CBO estimates 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. 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 the state of the housing market in those states, which we do not expect to be as high as in 2006 and 2007, total proceeds in the future would probably be lower.

Title V also would authorize four land-management agencies (BLM, the NPS, the U.S. Fish and Wildlife Service, and the Forest Service) to spend without further appropriation a portion of the proceeds from the sale of BLM land. Thus, CBO estimates that enacting title V would increase direct spending over the 2017-2026 period. Based on the historical rate of spending for FLTFA and other federal land acquisition activities, CBO expects that those agencies would spend $65 million over that period. Because of the lag between the timing of collections from land sales and when those collections would be spent, CBO estimates that enacting title V would reduce direct spending by $15 million over the 2017-2026 period.

Fees for Commercial Filming Activities. Title III would require the Secretaries of Agriculture and the Interior to establish a land use fee for crews of three persons or fewer that conduct commercial filming activities on certain federal lands. Because the affected agencies would have the authority to spend any proceeds from fees established under the bill, we estimate that enacting title III would have a negligible effect on net direct spending.

Spending Subject to Appropriation

CBO estimates that implementing S. 556 would cost $486 million over the 2017-2021 period, assuming appropriation of the amounts authorized to be deposited in the NPS Maintenance and Revitalization Fund. Other provisions in the bill would have no significant effect on the federal budget.

NPS Maintenance and Revitalization Fund. Title V would establish the NPS Maintenance and Revitalization Fund for high-priority maintenance projects that have been deferred. Each year, the NPS generates an annual deferred maintenance report to account for maintenance projects that could not be performed because the service lacks sufficient funding. In 2014, NPS estimated that deferred maintenance amounted to $11.4 billion.

Under the bill $150 million of the amounts collected from oil and gas leasing activities on the Outer Continental Shelf (OCS) would be transferred into the fund annually. The amounts would then be available to the Secretary of the Interior, subject to appropriation, for the purpose of carrying out deferred maintenance projects that support critical infrastructure and visitor services within the NPS. CBO estimates that those activities would cost $486 million over the 2017-2021 period.

Other Provisions. S. 556 would permanently authorize amounts collected from oil and gas leasing activities on the OCS to be transferred to the Historic Preservation Fund and the Land and Water Conservation Fund (LWCF). Each of those funds is permanently authorized to spend any amounts deposited in the fund if they are subsequently appropriated. Increasing the transfers into those funds would increase the amounts available for appropriation. Assuming appropriations from the fund are provided at historical levels, the funds have sufficient balances to cover appropriations for the next five years. Therefore, CBO estimates that authorizing the transfer of OCS receipts to those funds would not increase spending subject to appropriation over the 2017-2021 period.

The bill also contains provisions that would allow the possession, transport, and use of certain hunting and fishing equipment on federal lands, impose certain reporting requirements, permit the importation of certain polar bear remains, and require certain other activities. Based on information provided by the affected agencies, CBO expects that 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 no significant 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 S. 556, as ordered reported by the Senate Committee on Energy and Natural Resources on November 19, 2015

	By Fiscal Year, in Millions of Dollars												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
	NET DECREASE (-) IN THE DEFICIT												
Statutory Pay-As-You-Go Impact	0	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	-5	-15

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 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 556 contains no intergovernmental or private-sector mandates as defined in UMRA and would benefit state, local, and tribal agencies by authorizing federal grants to support conservation, historic preservation, and recreational activities. Any costs would be incurred by those entities, including matching contributions, would be incurred voluntarily.

PREVIOUS CBO ESTIMATE

On December 8, 2015, CBO transmitted a cost estimate for H.R. 2406, the SHARE Act, as ordered reported by the House Committee on Natural Resources on October 8, 2015. Both bills contain provisions that would reauthorize FLTFA; however, the Senate bill would extend FLTFA for a longer period of time and would require annual payments to the U.S. Treasury. The CBO cost estimates for those provisions reflect those differences.

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