



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 5, 2012

S. 432

Lake Tahoe Restoration Act of 2011

*As ordered reported by the Senate Committee on Environment and Public Works
on December 8, 2011*

SUMMARY

S. 432 would authorize appropriations to restore the ecological health of the Lake Tahoe Basin in California and Nevada. The authorized funds would be available to the Forest Service, the U.S. Fish and Wildlife Service (USFWS), and other federal agencies for projects that reduce the risk of fire, provide assistance to state and local governments for water management, and protect against invasive species.

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 432 would cost \$234 million over the 2012-2017 period and \$231 million after 2017. Enacting the legislation could increase offsetting receipts (from inspection fees) and associated direct spending as well as revenues (from civil penalties); therefore, pay-as-you-go procedures apply. However, CBO estimates that the net effects of new offsetting receipts, spending, and revenues would be negligible in any year.

S. 432 would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on owners and operators of watercraft used in the Lake Tahoe Basin. CBO estimates that the cost of the mandate would fall significantly below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$73 million and \$146 million in 2012, respectively, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 432 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						2012- 2017
	2012	2013	2014	2015	2016	2017	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Forest Service Programs							
Estimated Authorization Level	0	14	14	14	14	14	68
Estimated Outlays	0	10	14	14	14	14	64
Environmental Protection Agency Programs							
Estimated Authorization Level	0	10	10	10	10	10	51
Estimated Outlays	0	7	9	10	10	10	45
U.S. Fish and Wildlife Service Programs							
Estimated Authorization Level	0	4	4	4	4	4	20
Estimated Outlays	0	3	4	4	4	4	19
Tahoe Federal Interagency Partnership Projects							
Estimated Authorization Level	0	14	14	14	14	14	68
Estimated Outlays	0	10	14	14	14	14	64
U.S. Army Corps of Engineers Programs							
Estimated Authorization Level	10	10	10	10	10	0	50
Estimated Outlays	3	6	8	9	10	7	42
Total Changes							
Estimated Authorization Level	10	51	51	51	51	41	257
Estimated Outlays	3	34	47	50	51	48	234

Note: Amounts may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted early in 2012 and that the authorized amounts will be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns for ongoing and similar activities.

Spending Subject to Appropriation

Section 9 would authorize the appropriation of \$415 million over the 10-year period beginning in 2013 for several federal agencies to perform ecological restoration activities in the Lake Tahoe Basin. CBO assumes that those amounts would be appropriated evenly over the 10-year period.

Of the amounts authorized under section 9, \$136 million would be available to the Forest Service for projects to reduce the risk of fire in the Lake Tahoe Basin. An additional \$102 million would be authorized for the Environmental Protection Agency to make grants to state and local governments for certain water management projects and to establish an environmental research program. Finally, an authorization of \$41 million would support USFWS activities to protect against invasive species and to restore native species to the Lake Tahoe Basin. Remaining funds, authorized by section 9 and not allocated for the above purposes (\$136 million), would be available to carry out restoration projects identified by the Tahoe Federal Interagency Partnership (a collaborative group of five federal agencies with management or jurisdictional authorities in the Lake Tahoe region). Assuming appropriation of the authorized amounts, CBO estimates that implementing those provisions would cost \$192 million over the 2013-2017 period and \$223 million after 2017.

Section 10 would authorize the appropriation of \$50 million for the U.S. Army Corps of Engineers to assist nonfederal entities that construct water-related infrastructure in the Lake Tahoe Basin. Under current law, the agency is authorized to receive a total of \$25 million in appropriations for those purposes, of which about \$16 million has already been provided. Under the bill, we estimate that the agency would be authorized to receive additional appropriations of \$10 million annually over the 2012-2016 period. CBO estimates that implementing this provision would cost \$42 million over the 2012-2017 period and \$8 million after 2017.

Direct Spending and Revenues

S. 432 would require the USFWS to ensure that watercraft are decontaminated prior to launching in waters of the Lake Tahoe Basin so that organisms from other bodies of water do not contaminate the basin. The bill would authorize the agency to establish inspection and decontamination stations within the basin and to certify nonfederal entities to operate similar facilities. The bill also would allow any entity performing those activities to collect and spend fees to cover the cost of operating those facilities. CBO estimates that the collection and expenditure of such fees would have no significant net impact on federal direct spending in any year.

The bill also would establish civil penalties for individuals who launch watercraft in the Lake Tahoe Basin that have not been inspected and decontaminated in accordance with standards established by the USFWS. Any penalties collected would be recorded as revenues in the budget and deposited into the general fund of the U.S. Treasury. Based on information obtained from the USFWS, CBO estimates that annual revenues from those civil penalties would not be significant.

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. 432 could increase offsetting receipts (from inspection fees) and associated direct spending. The bill also could increase revenues (from civil penalties); therefore, pay-as-you-go procedures apply. However, CBO estimates that any increase in offsetting receipts would be offset by similar increases in direct spending and any new revenues from penalties would be minimal.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 432 would impose an intergovernmental and private-sector mandate as defined in UMRA. The bill would require owners and operators of watercraft to submit their watercraft for inspection and decontamination of invasive species prior to launch in waters of the Lake Tahoe Basin. The bill also would require that owners and operators of watercraft maintain documentation of inspections while in the basin and pay any fees associated with decontamination. Because the regional agency for the Lake Tahoe Basin currently subjects watercraft to inspection requirements and fees, most owners and operators would already be in compliance with the bill's requirements. Therefore, CBO estimates that the cost to comply with the mandate would be minimal and would fall significantly below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$73 million and \$146 million in 2012, respectively, adjusted annually for inflation).

ESTIMATE PREPARED BY:

Federal Costs: Jeff LaFave

Impact on State, Local, and Tribal Governments: Ryan Miller

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis