



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 29, 2017

### **H.R. 3281** **Reclamation Title Transfer and Non-Federal Infrastructure** **Incentivization Act**

*As ordered reported by the House Committee on Natural Resources  
on July 26, 2017*

H.R. 3281 would authorize the Bureau of Reclamation (BOR) to convey the title to federal water infrastructure facilities to nonfederal entities if the entity has a water service contract with BOR for the facility and if certain criteria are met. Based on an analysis of information from BOR, CBO estimates that implementing H.R. 3281 would cost about \$1 million over the 2017-2022 period for staff to establish criteria for conveying a title under the bill and to carry out the work for completing title transfers, including negotiating agreements and coordinating National Environmental Policy Act (NEPA) reviews and surveys. Such spending would be subject to the availability of appropriated funds.

Enacting H.R. 3281 also would affect direct spending because nonfederal entities seeking title to a facility would pay BOR for a portion of the costs to carry out the title transfer. CBO estimates that the net effect on direct spending would be insignificant because BOR would spend those amounts to perform the work. Because enacting the bill would affect direct spending pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

Over the past two decades the title to 30 facilities were conveyed from BOR to nonfederal entities. In each of those cases, after BOR and the nonfederal entity negotiated the required agreements and completed the reviews and surveys, the Congress enacted legislation to convey each title to the nonfederal entity because under current law the title transfer cannot occur without an act of the Congress.

H.R. 3281 would authorize BOR to transfer titles administratively in certain cases. BOR would notify the Congress of the proposed conveyance and the rationale for the conveyance. Unless the Congress passed a joint resolution disapproving the conveyance within 90 days of the notification, the transfer would proceed.

CBO expects that removing the need for Congressional action to transfer the title of BOR facilities would increase the number of nonfederal entities seeking title transfers. Across the 17 western states where BOR operates there are hundreds of nonfederal entities and

associated facilities that could be eligible for title transfer under the bill. Currently, about 15 nonfederal entities are pursuing title transfers and CBO expects that under the bill another 15 entities would seek title transfer in the year after enactment, as well as a few more each year thereafter.

Based on an analysis of information from BOR, CBO estimates that BOR would need about 5 additional employees to implement the bill—1 for each of BOR’s 5 regions—which would roughly double the number of employees working on title transfers. At an average annual cost of \$90,000 per employee, those additional costs would total \$2 million in the first 5 years after enactment. However, CBO estimates that because about half of those costs would be offset by upfront payments from participating nonfederal entities, implementing the legislation would cost the federal government about \$1 million over the 2017-2022 period.

CBO estimates that enacting the bill would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3281 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit public entities, such as local water districts, by facilitating the conveyance of federal reclamation facilities. Any costs incurred by those entities related to acquiring or operating such facilities would result from voluntary commitments.

The CBO staff contacts for this estimate are Aurora Swanson (for federal costs) and Jon Sperl (for intergovernmental mandates). The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.