CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 12, 2018

H.R. 4032
Gila River Indian Community Federal Rights-of-Way, Easements and Boundary Clarification Act

As ordered reported by the House Committee on Natural Resources on May 8, 2018

H.R. 4032 would require the Department of the Interior (DOI) to take about 3,400 acres of land into trust for the benefit of the Gila River Indian Community. The bill also would establish a permanent northern boundary for the tribe's reservation and would establish and ratify three rights-of-way and one grazing permit on that land. DOI would be required to survey the new tribal boundary and the rights-of-way and publish those surveys. Using information from DOI, CBO estimates that the administrative expenses associated with those activities would not be significant.

The land that would be taken into trust under the bill is currently managed by DOI and yields no financial benefits to the federal government. DOI is in the process of transferring that land to the Gila River Indian Community through a noncompetitive, direct land sale. Under the agreement between DOI and the tribe, and pending a public comment period during which other interested parties can object to the sale, the tribe will pay fair market value to DOI in return for the land. Using information from DOI, CBO estimates that the fair market value of the land is $10 million and that under current law the tribe will purchase the land from DOI for that amount before the end of fiscal year 2018.

For this estimate, CBO assumes that H.R. 4032 will be enacted before the sale of the land is finalized. In that event DOI would take the land into trust for the benefit of the tribe and the process of selling the land to the tribe would be halted. In that case, enactment would reduce offsetting receipts (which are recorded on the budget as reductions in direct spending) by the $10 million expected from the sale. However, if the bill is not enacted before the sale is finalized, then the bill would have no effect on the budget.

Because enacting H.R. 4032 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 4032 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4032 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Robert Reese. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.