



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 6, 2018

S. 441 **Organ Mountain-Desert Peaks Conservation Act**

*As reported by the Senate Committee on Energy and Natural Resources
on December 5, 2018*

S. 441 would designate roughly 240,000 acres of federal land in New Mexico as part of the National Wilderness Preservation System. Because the affected land is already managed by the federal government, CBO expects that there would be no significant costs associated with those designations. The bill also would require the Secretary of the Army to develop a recreation plan for a tract of federal land located in the state. Based on the costs of similar tasks, CBO estimates that developing the plan would cost less than \$500,000; such spending would be subject to the availability of appropriated funds.

The bill would authorize a land exchange between the Bureau of Land Management (BLM) and the state of New Mexico. Under the bill, the state and BLM would jointly identify the federal and nonfederal parcels of land to be exchanged. CBO has no information on which parcels would be exchanged, or whether the federal land generates any offsetting receipts (which are recorded in the budget as reductions in direct spending) from mineral production, grazing, or other activities. If the land that would be exchanged does generate receipts, the bill would reduce those receipts, relative to current law.

In addition, if the parcels are not of equal value, the values would be equalized through an adjustment in acreage or a cash equalization payment. If the federal parcel to be exchanged is more valuable, any cash equalization payment to BLM (which would be recorded in the budget as an offsetting receipt) would be available to spend without further appropriation, the net effect on direct spending would be negligible. If the federal parcel to be exchanged is less valuable, any cash equalization payment to the state would increase direct spending. On net, CBO expects that enacting S. 441 would increase direct spending by an insignificant amount.

Because enacting S. 441 could affect direct spending, pay-as-you-go procedures apply. The bill would not affect revenues.

CBO estimates that enacting S. 441 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 441 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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