

## H.R. 375, A bill to amend the Act of June 18, 1934, to reaffirm the authority of the Secretary of the Interior to take land into trust for Indian tribes, and for other purposes

As ordered reported by the House Committee on Natural Resources on May 1, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	n.e.
Pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	<b>Yes, Under Threshold</b>
		Contains private-sector mandate?	<b>Yes, Under Threshold</b>
n.e. = not estimated; * = between -\$500,000 and zero.			

H.R. 375 would amend the Indian Reorganization Act to allow the Secretary of the Interior to take land into trust for all federally recognized Indian tribes. Under current law, as established by the Supreme Court in *Carcieri v. Salazar* (555 U.S. 379 (2009)), the Secretary's authority to take land into trust for Indian tribes is limited to those tribes that were federally recognized prior to the enactment of the Indian Reorganization Act of 1934. Under the bill, the Secretary would have the authority to take land into trust for any federally recognized Indian tribe, regardless of when a tribe was so recognized. Because current law requires employees of the Department of the Interior (DOI) to determine which tribes would be eligible to have lands taken into trust, CBO expects that implementing H.R. 375 could reduce the workload of some DOI employees. Using information from DOI, CBO expects that any savings resulting from that reduced workload would not be significant.

H.R. 375 would impose both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate costs of those mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$82 million and \$164 million in 2019, respectively, adjusted annually for inflation).



The bill would expand an existing intergovernmental mandate that exempts tribal land taken into trust from state and local taxes. CBO estimates that the tax losses that would result from enacting H.R. 375 would likely be very small. As a result of the *Carcieri v. Salazar* decision, the authority of state and local governments to collect taxes on some tribal lands is unclear. Subsequent application of that ruling by DOI appears to limit its scope, further restricting the lands potentially subject to such taxation. As a result, very few state or local governments have asserted taxing authority on those lands. Because any attempt to assert that authority probably would result in litigation, those governments would not be likely to collect taxes on those lands in the next five years.

H.R. 375 would impose an intergovernmental and private-sector mandate by limiting the ability of public and private entities or individuals to file claims in court related to lands taken into trust for Indian tribes that were federally recognized after 1934. The cost of the mandates would be the forgone value of compensation and settlements associated with such claims if they would have been successful under current law. Very few claims have been filed since the *Carcieri v. Salazar* decision, therefore, CBO expects a similarly small number of new claims would be initiated each year that involve the affected tribal land. Therefore, CBO estimates the value of awards and settlements forgone under H.R. 375 would be small.

The CBO staff contacts for this estimate are Jon Sperl (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.