

**S. 1657, La Paz County Solar Energy and Job Creation Act**

As reported by the Senate Committee on Energy and Natural Resources on December 12, 2023

| By Fiscal Year, Millions of Dollars  |                 | 2024                                      | 2024-2029 | 2024-2034     |
|--|-----------------|---|-----------|---------------|
| Direct Spending (Outlays)  |                 | 0   | 1         | 2             |
| Revenues   |                 | 0   | 0         | 0             |
| Increase or Decrease (-) in the Deficit  |                 | 0   | 1         | 2             |
| Spending Subject to Appropriation (Outlays)  |                 | 0   | *         | not estimated |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035? | < \$2.5 billion | Statutory pay-as-you-go procedures apply? |           | Yes           |
|  |                 | <b>Mandate Effects</b>                    |           |               |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?  | < \$5 billion   | Contains intergovernmental mandate?       |           | No            |
|  |                 | Contains private-sector mandate?          |           | No            |
| * = between zero and \$500,000.  |                 |   |           |               |

S. 1657 would require the Bureau of Land Management (BLM) to convey approximately 3,400 acres of land at fair market value to La Paz County, Arizona, subject to valid existing rights, if the county requests the land.

Under current law, BLM is reviewing a proposed solar energy project on a portion of that land. Under that proposal, BLM would lease 4,600 acres of the land to an energy developer; some of that land would be conveyed to the county under the bill. Based on information from BLM, CBO expects that the county would request to purchase the land. That sale and its effect on the proposed solar energy project would, on net, increase direct spending.

### Land Conveyance

Proceeds from the conveyance would be recorded in the budget as offsetting receipts, that is, as reductions in direct spending. Those receipts would be deposited in the Federal Land Disposal Account where they could be spent without further appropriation to purchase eligible land.

Based on typical time frames for such conveyances, CBO expects that the transfer would take several years to complete. Using information on the value of adjacent land that BLM conveyed to La Paz County in 2020, and accounting for actual and anticipated inflation, CBO estimates that the proceeds from the sale would be about \$3 million and would be spent

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



shortly thereafter. Thus, the net effect on direct spending from conveying the land would be negligible.

Additionally, La Paz County would be required to pay for all costs associated with the conveyance under S. 1657. However, CBO expects that some administrative costs incurred to update maps would not be reimbursed by the county. We estimate those costs would be insignificant; any related spending would be subject to the availability of appropriated funds.

### **Energy Lease**

Using information from BLM, CBO expects that if the energy project is approved, the leased land would generate \$1 million in receipts annually beginning in 2026. Under current law, Arizona would receive one-half of those receipts; the other half would be recorded as offsetting receipts but would not be available to spend.

CBO cannot predict whether the proposed solar energy project on the affected land will occur under current law. In the absence of specific information, CBO uses a 50 percent probability that the project will be approved. Conveying the land would eliminate the possibility of receiving any receipts from an energy lease because BLM would no longer be able to approve the project. On that basis, CBO estimates that enacting S. 1657 would increase net direct spending by \$2 million over the 2024-2034 period.

The CBO staff contact for this estimate is Lilia Ledezma. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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