Congressional Budget Office
Cost Estimate

September 30, 2026

At a Glance

H.R. 8870, BUILD America 250 Act

As ordered reported by the House Committee on Transportation and Infrastructure on May 22, 2026

By Fiscal Year, Millions of Dollars	2026	2026-2031	2026-2036
Direct Spending (Outlays)	0	1,669	2,498
Revenues	0	2,796	12,453
Increase or Decrease (-) in the Deficit	0	-1,127	-9,955
Spending Subject to Appropriation (Outlays)	0	333,729	528,890

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2037?	< $2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2037?	< $5 billion	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Over Threshold

The bill would

- Provide contract authority and authorize obligation limitations and appropriations for the Department of Transportation to operate surface transportation programs
- Authorize changes to various federal grant and loan programs, including expedited environmental reviews
- Require states to collect annual registration fees on electric and plug-in hybrid vehicles and remit those fees to the federal government
- Increase civil penalties for railroad safety violations
- Impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act

Estimated budgetary effects would mainly stem from

- Spending of the authorized amounts
- Spending under various federal grant and loan programs
- Collecting fees remitted by states for registration of electric and plug-in hybrid vehicles

Areas of significant uncertainty include

- Projecting the cost of using rail infrastructure grants to pay credit risk premiums for certain loans
- Anticipating the effects of expedited environmental reviews
- Projecting the frequency and severity of hazardous-materials spills requiring federal payments
- Estimating the number of registrations of electric and plug-in hybrid vehicles and the rates at which states would remit registration fees to the federal government
- Determining the effect on compliance of larger civil penalties for rail safety violations

Detailed estimate begins on the next page.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Bill Summary

H.R. 8870 would provide contract authority (a form of mandatory budget authority) and authorize obligation limitations and appropriations over the 2026-2031 period for the Department of Transportation (DOT) to continue to operate surface transportation programs administered by the Federal Highway Administration, Federal Motor Carrier Safety Administration, Federal Transit Administration, and National Highway Traffic Safety Administration. Those programs are financed mainly through the Highway Trust Fund (HTF).

The bill also would authorize the appropriation of funds for other programs administered by DOT, including those for freight transportation systems, for rail infrastructure and safety, and for responding to accidents involving hazardous materials. H.R. 8870 would expand the use of federal grants to pay the credit subsidy costs of loans administered by the department's Build America Bureau and made under the Railroad Rehabilitation and Improvement Financing (RRIF) program. The bill would authorize various programs administered by the department's Federal Railroad Administration and the Pipeline and Hazardous Materials Safety Administration. The bill would expedite environmental reviews for various federal grant and loan programs.

H.R. 8870 would require states to collect annual registration fees on electric and plug-in hybrid vehicles. The bill also would increase civil penalties associated with railroad safety violations. Those amounts would mostly be remitted to the federal government, thus affecting federal revenues.

Estimated Federal Cost

The estimated budgetary effects of H.R. 8870 are shown in Table 1. The costs of the legislation mainly fall within budget functions 300 (natural resources and environment), 400 (transportation), 500 (education, training, employment, and social services), and 700 (veterans benefits and services).

Basis of Estimate

For this estimate, CBO assumes that H.R. 8870 will be enacted near the beginning of calendar year 2027 and that the authorized and estimated amounts will be provided for each year. Outlay estimates are based on historical rates of spending for the affected programs with adjustments to account for changes in the bill to expedite environmental reviews. All estimates are relative to CBO's February 2026 baseline, including adjustments subsequently enacted through the Continuing Appropriations and Extensions Act, 2027.

Background

Most surface transportation programs are administered by the Federal Highway Administration, National Highway Traffic Safety Administration, Federal Motor Carrier

Safety Administration, and Federal Transit Administration, in cooperation with state and local governments and transportation authorities.

The Federal Highway Administration's programs focus on highway construction and maintenance of the nation's 4.2-million-mile highway network. The National Highway Traffic Safety Administration establishes and enforces safety standards for cars and trucks and oversees the rules of the road for safe driving. The Federal Motor Carrier Safety Administration establishes and enforces regulations for large commercial trucks to reduce crashes, injuries, and fatalities. Those programs are mostly funded by the highway account, one of two within the HTF.

The Federal Transit Administration's programs support transit systems consisting of buses, ferries, commuter and light rail, subways, and trolleys. That agency focuses on safety oversight, technical assistance, and research to promote the safe and efficient movement of people, and it makes grants to local transit agencies to expand and maintain transit systems. Those programs are mostly funded by the transit account, the other account within the HTF.

Historically, most of the programs covered by the HTF are funded by contract authority, a mandatory form of budget authority. Contract authority allows an agency to incur obligations in advance of funding provided in an appropriation act. Most outlays arising from that contract authority are controlled by obligation limitations, which are provisions in appropriation acts that restrict or reduce the availability of budget authority provided under another law. Because of that, programs financed through the HTF have split budgetary treatment:

- The contract authority is established by authorizing legislation, such as H.R. 8870, and the corresponding budget authority is recorded as direct spending, as is shown in this estimate, and
- The obligation limitations are set in future appropriation acts, and thus the corresponding outlays are recorded as discretionary spending charged to the appropriation act that sets the obligation limit.[1]

Outlays stemming from contract authority that is specifically exempt from obligation limitations are classified as mandatory.

Consistent with the rules in the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline incorporates the assumption that the amount of contract authority provided in the final year of surface transportation programs' authorizations will continue in

1. For more information, see Congressional Budget Office, *The Highway Trust Fund and the Treatment of Surface Transportation Programs in the Federal Budget* (June 2014), www.cbo.gov/publication/45416.

each subsequent year. CBO's estimates of outlays from contract authority that is exempt from obligation limitations are relative to amounts in the baseline projections.

Consistent with the rules in the Deficit Control Act, CBO does not extend expiring authorizations of appropriations. Consequently, CBO does not project obligation limitations or the associated discretionary spending beyond the period of authorization listed in proposed legislation.

Direct Spending

CBO estimates that enacting H.R. 8870 would increase mandatory budget authority, relative to CBO's baseline, by $165.0 billion, mainly for contract authority, and would increase direct spending outlays by $2.5 billion over the 2026-2036 period (see Table 2).

Contract Authority. H.R. 8870 would provide contract authority for federal surface transportation programs over the 2027-2031 period. Table 3 shows the increases relative to CBO's February 2026 baseline, including adjustments for enacted legislation through the Continuing Appropriations and Extensions Act, 2027. Under the split budgetary classification of programs financed through the HTF, most outlays stemming from contract authority under the bill are classified as discretionary. A relatively small amount of contract authority is not subject to obligation limitations, but because the bill would not change the amount provided relative to the baseline, CBO estimates no budgetary effect for those provisions. (The amount of contract authority that is exempt from obligation limitations totals $7.4 billion in CBO's baseline through 2036.) Accordingly, the discussion that follows focuses only on the contract authority that would be subject to obligation limitations.

The most recent authorization for surface transportation (divisions A, B, and C of the Infrastructure Investment and Jobs Act, 2021, subsequently extended in division C of the Continuing Appropriations and Extensions Act, 2027) expires on December 11, 2026. Consistent with the rules in the Deficit Control Act, CBO's baseline projections incorporate the assumption that the amount of contract authority provided for the year before expiration continues unchanged for each subsequent year. Accordingly, CBO's baseline projections include contract authority over the 2027-2036 period that totals $792.9 billion, or roughly $79.3 billion each year.

Over the 2027-2031 period, H.R. 8870 would provide $470.7 billion in contract authority that would be subject to obligation limitations. Consistent with the rules in the Deficit Control Act, CBO's estimate incorporates the assumption that the budget authority in 2031 ($97.4 billion), the final year of authorization in the bill, would continue indefinitely and total $487.0 billion over the 2032-2036 period. CBO therefore estimates that under the bill, contract authority would total $957.6 billion over the 2027-2036 period.

CBO estimates that the total contract authority over the 2027-2036 period under the bill would be $164.8 billion greater than the amount in CBO's baseline. All of that difference is for contract authority that is subject to obligation limitations.

Rail Infrastructure Grants. Section 10513 would authorize recipients of rail infrastructure grants to use those grants to pay the credit risk premium for loans under the Railroad Rehabilitation and Improvement Financing program, which provides direct loans and loan guarantees for railroad infrastructure projects. Several other provisions of the bill would expand the RRIF program by increasing the limit on total outstanding principal obligations from $35 billion to $50 billion and by broadening eligibility to encompass Amtrak and Amtrak-controlled entities. The bill also would allow loans to be used for interstate rail compacts for leasing or purchasing equipment for a multistate pool; transit-oriented development located within a half mile of transit or passenger rail stations, to include housing, retail, office, and mixed-use projects; and freight shipper facilities and related infrastructure served by rail.

The bill would shorten timelines for RRIF project approval by accepting credit risk assessments and underwriting analyses performed by financial institutions rather than by the Build America Bureau.

For the RRIF program, the Build America Bureau is authorized to issue loans under appropriation acts for projects to develop rail infrastructure. If the Congress does not appropriate funding for subsidy costs, those loans must be budget neutral on a net-present-value basis.[2] Under current law, if a loan for a project would have an estimated positive subsidy cost (and the Congress has not provided a subsidy appropriation), the borrower may offset that cost either by paying a credit risk premium up front from nonfederal funds or by paying a higher interest rate over the life of the loan.

Because the grants have been or would be disbursed before the borrower could use the funds under the bill to pay the credit risk premium, CBO treats those grant funds as nonfederal for the purpose of estimating the cost of RRIF loans or loan guarantees. That is because the borrower would have the money on hand and would not depend on a future appropriation to pay the credit risk premium.

CBO expects that the bill's provisions to expand the RRIF program and to authorize the use of grants to pay credit risk premiums would accelerate the spending of rail infrastructure grant funds. Under CBO's current baseline projections, some of the unobligated balances from previous appropriations remain unspent over the next 10 years. CBO estimates that enacting the provisions related to the RRIF program would accelerate spending that would

2. Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of the cash flows to and from the government over the lifetime of the loan guarantee. Those cash flows include defaults, recoveries, interest subsidies, fees, and other expenses and receipts. Such subsidy costs are calculated by discounting expected cash flows using the rate on Treasury securities of comparable maturity and are recorded in the budget when loans are disbursed or modified. A positive subsidy indicates that the loan results in net outlays from the Treasury; a negative subsidy indicates that the loan results in net receipts to the Treasury.

otherwise occur after 2036 and thus increase direct spending by $1.5 billion over the 2026-2036 period.

Expedited Environmental Reviews. H.R. 8870 includes several provisions that would shorten the time to complete project delivery and environmental reviews for some surface transportation projects. The provisions would expand the use of categorical exclusions under the National Environmental Policy Act and exemptions under the National Historic Preservation Act, broaden the authority of state and regional entities to carry out environmental reviews, increase opportunities for grant recipients to use prior planning and environmental analyses, and establish additional procedures to streamline project delivery.[3]

CBO estimates that enacting those provisions would shorten the time required to complete environmental reviews, as well as the average time spent on related litigation, for some federally funded transportation projects, allowing construction to begin sooner than under current law. Based on project-level permitting data and information about environmental litigation, CBO estimates that the bill would accelerate spending for 25 percent of affected transportation accounts by about five months, on average. Enacting those provisions would thus accelerate spending that would otherwise occur after 2036, increasing net direct spending by $789 million over the 2026-2036 period, CBO estimates.

Asset Disposition Proceeds. Section 3019 would allow entities that receive assistance from the Federal Transit Administration to retain 100 percent of the proceeds from disposing of federally funded assets and reinvesting those amounts in capital projects for public transit. Under current law, when a transit agency sells buses, railcars, or other equipment, a portion of the proceeds must be returned to the Treasury. Those amounts are recorded in the budget as offsetting receipts, that is, as reductions in direct spending. Using information from DOT, CBO estimates that enacting the provision would reduce offsetting receipts by about $7 million annually, increasing direct spending by $70 million over the 2026-2036 period.

Transportation Infrastructure Finance and Innovation Act. Provisions in sections 2001 and 7108 would accelerate spending from amounts previously provided for a loan program authorized by the Transportation Infrastructure Finance and Innovation Act (TIFIA) in several ways. The bill would authorize loans to purchase or lease heavy-duty trucks used to transport shipping containers and for projects located near bus transit facilities. H.R. 8870 would allow the Build America Bureau to use credit risk assessments and underwriting performed by financial institutions to reduce approval timelines. The bill also would extend a TIFIA-funded program that provides financial, technical, and legal assistance to rural

3. A major federal action that is identified as categorically excluded would not require an agency to complete a detailed environmental analysis, such as an environmental assessment or an environmental impact statement, under the National Environmental Policy Act because categorically excluded actions are categorized as not having a significant effect on the human environment.

localities and tribal governments to evaluate and plan projects that are eligible for grants under DOT programs.

Under current law, TIFIA has a balance of unobligated contract authority from previous authorization acts. Using information from DOT, CBO estimates that about $55 million of the amount, on net, that will not be spent over the next 10 years under current law would be spent to implement the bill's provisions.

Emergency Preparedness Grants. Beginning in 2027, sections 10701 and 10822 would increase by $6 million the funds available each year for grants sponsored by the Pipeline and Hazardous Materials Safety Administration to improve preparedness for hazardous-materials incidents. Using information from that agency, CBO expects that starting in 2029, the agency would use its statutory authority to offset the specified increase in funding by increasing the fees assessed on companies that transport hazardous materials. Those amounts are recorded in the budget as offsetting receipts, that is, as reductions in direct spending. CBO expects that the agency would not increase mandatory spending for emergency preparedness grants until 2029, when those fees are collected. Because of the expected lag between the collections and the disbursement of the grants, CBO estimates that enacting the provision would reduce net direct spending by $12 million over the 2026-2036 period.

Emergency Response Assistance Program. Section 10823 would create a revolving fund to reimburse communities for the cost of responding to hazardous-materials spills caused by transportation carriers. The fund's deposits would come largely from civil penalties collected from carriers found to violate federal hazardous-materials regulations. DOT would use amounts in the fund to cover costs to communities that are unable to reach an agreement with a responsible party. In such cases, the responsible party would be required to reimburse DOT for the amounts paid out to a community. The bill would allow responsible parties to file court challenges to contest amounts owed to DOT.

Under current law, collections of such penalties are deposited into the Treasury's general fund and are not available to be spent. CBO estimates that under current law those collections will total $4 million to $5 million annually over the 2026-2036 period. CBO estimates that enacting a separate provision would increase collections by a total of $5 million over the same period. For more information, see the discussion for Civil Penalties under "Revenues."

Using information from DOT, CBO projects that about 80 incidents would occur each year over the 2026-2036 period and that, on average, the cost to respond to each would be about $250,000. (CBO's analysis accounts for a range of costs for those incidents, dependent on severity.)

CBO has no basis for predicting how likely it would be for carriers to reach reimbursement agreements with affected communities. We therefore assume that in each of the 80 cases there would be an equal chance that the carrier and the community would or would not reach

an agreement. CBO thus anticipates that starting in 2028 the federal government would make payments for 40 incidents each year and that the carriers would compensate the communities in the other 40 cases.

Using information from DOT on the relevant penalties, the number of incidents that would be expected to require federal spending, the expected amount reimbursed per incident, and accounting for anticipated inflation, CBO estimates that implementing the provision would increase direct spending by $84 million over the 2026-2036 period. For more information, see the discussion for the Emergency Response Assistance Program under "Revenues."

Transportation Workforce Education. Section 5110 would exempt all revenue derived from transportation programs from classification as federal education assistance funds for purposes of a school's 90/10 rule calculation under title IV of the Higher Education Act of 1965. That rule requires that at least 10 percent of a school's revenue come from nonfederal sources. CBO anticipates that the change would allow schools with revenue primarily from federal sources to expand enrollment in transportation workforce programs and that the schools closest to the 90 percent threshold would be most likely to do so. Based on data from the Department of Education on the number of students enrolled at institutions near the 90/10 rule cutoff and from the Workforce Innovation and Opportunity Act on the characteristics of trucking programs, CBO estimates that enacting the provision would increase direct spending by $10 million over the 2026-2036 period: $6 million for the Federal Pell Grant Program's mandatory add-on, $3 million for veterans' education benefits, and $1 million for increased student loan volume.

National Academy of Sciences Study. Section 10804 would require DOT to enter into an agreement with the National Academy of Sciences to study 20 of the most frequently blocked highway-rail grade crossings in at least 10 states. To carry out the study, the academy would be authorized to spend $2 million from amounts appropriated in 2024 that remain unobligated. Because CBO does not expect all of those unobligated funds to be spent under current law, we estimate that enacting the provision would increase direct spending by $2 million over the 2026-2036 period.

Revenues

CBO estimates that enacting the bill would increase revenues, on net, by $12 billion over the 2026-2036 period (see Table 4). Most of the increase would come from registration fees that states would be required to collect on electric and plug-in hybrid vehicles.

Registration Fee on Motor Vehicles. Section 1129 would require states to collect new annual registration fees on electric and plug-in hybrid vehicles through September 30, 2036, and to remit 99 percent of those collections to the federal government. The remaining 1 percent would be used to cover the states' associated administrative costs. The Federal Highway Administration would be directed to withhold apportionments from the Highway Trust Fund for states that do not collect and remit the fees. Starting in fiscal year 2028, the

withheld amount would be 125 percent of the amount a state was required to remit. CBO expects that states would generally enact the necessary legislative or administrative measures to implement and collect the fees within a few years of enactment and would comply with the remittance requirements. For the estimate of revenues from registration fees on motor vehicles, CBO incorporates the assumption that the states expect that the revenues collected from vehicle registration fees would be deposited into the HTF.

Indirect taxes and regulatory fees tend to reduce collections of income and payroll taxes. As a result, CBO expects that about 25 percent of the new fee collections would be offset by decreases in tax receipts each year.[4] CBO estimates that enacting the provision would increase revenues, on net, by $12 billion over the 2026-2036 period and that fee collections, before the offset is applied, would be $17 billion. If subsequent amendments (possibly from the House Committee on Ways and Means) were to require it, the gross amount would be deposited into the Highway Trust Fund.

Emergency Response Assistance Program. As discussed under "Direct Spending," the requirement for carriers to reimburse DOT for the costs of the emergency response is an exercise of the government's sovereign power. Thus, collections of those amounts for the revolving fund would be classified in the budget as revenues.

Using information from DOT about settlements with carriers in the aftermath of hazardous-materials spills and accounting for estimated direct spending for assistance with emergency responses, CBO estimates that enacting section 10823 would increase revenues, on net, by $43 million over the 2026-2036 period. Because amounts collected from the responsible carriers would reduce the base for income and payroll taxes, CBO expects that the increase in revenues from repayments would be partially offset by lower income and payroll taxes. CBO estimates that enacting the provision would increase gross revenues, before the offset is applied, by $57 million over that period.

Civil Penalties. Section 10415 would increase civil penalties for violations of specific railroad and railcar safety requirements. Civil penalties are recorded in the budget as revenues. Under current law, railroad operators must comply with regulations related to their operations, including rules for signal system safety, the transportation and storage of hazardous materials, equipment maintenance, and personnel operating practices. Enacting the section would increase the maximum penalty for some violations of those regulations by between 30 and 40 percent. CBO estimates that enacting that provision would increase collections by $24 million over the 2026-2036 period. Of that amount, $5 million would be collected from carriers for violations of hazardous-materials regulations and deposited into a

4. For information about CBO's methods for estimating such collections, see Congressional Budget Office, *CBO's Use of the Income and Payroll Tax Offset in Its Budget Projections and Cost Estimates* (October 2022), www.cbo.gov/publication/58421.

revolving fund, as discussed above under "Direct Spending"; $19 million would be collected for violations of other regulations involving railroads.

State Infrastructure Banks. Section 2001 would reauthorize the State Infrastructure Bank Program through fiscal year 2031. Infrastructure banks maintain revolving funds for infrastructure projects established and administered by the states and financed by the federal government.

Under current law and under H.R. 8870, states would be allowed to deposit some of the funds apportioned and allocated to the state from the Federal-Aid Highway Program into state infrastructure banks. Relative to CBO's baseline, H.R. 8870 would increase the amounts states could deposit into infrastructure banks.

The staff of the Joint Committee on Taxation estimates that enacting the provision would increase states' use of tax-exempt bonds and therefore would reduce federal revenues by $1 million over the 2026-2036 period.

Spending Subject to Appropriation

Assuming that future obligation limitations match those specified in the bill and the appropriation of the specified and estimated amounts, CBO estimates that implementing H.R. 8870 would cost $334 billion over the 2026-2031 period (see Table 5) and $529 billion over the 2026-2036 period (see Table 1). Those amounts include spending from the Highway Trust Fund controlled by obligation limitations and spending for programs operated by DOT and other federal agencies. Estimated outlays are based on the historical rate of spending for the affected programs with adjustments for provisions that would expedite environmental reviews.

Obligation Limitations for Surface Transportation Programs. Historically, under the split budgetary treatment, the contract authority provided in transportation legislation has been controlled by obligation limitations in appropriation acts. CBO expects that practice would continue under H.R. 8870. The bill would authorize obligation limitations totaling $471 billion over the 2026-2031 period. CBO estimates that obligating amounts equal to those limitations would result in outlays of $296 billion over the 2026-2031 period and $148 billion after 2031; such spending would be subject to future appropriation actions.

Other Authorized Programs. H.R. 8870 would authorize appropriations for transportation programs, as discussed below. Most of the authorizations are for the 2027-2031 period; exceptions are noted in the discussion of the estimate. Those authorizations would total $109 billion over the 2026-2031 period. Assuming future appropriation of the authorized and estimated amounts, CBO estimates that implementing those provisions would cost $37 billion over the 2026-2031 period.

Amtrak Grants. Section 10101 would authorize the appropriation of various amounts each year, totaling $31.1 billion, for grants to Amtrak. One-third of the total would be for train

routes between Boston, Massachusetts, and Washington, D.C., and the remainder would be for routes connecting other cities across the country. CBO estimates that implementing the section would cost $9.6 billion over the 2026-2031 period and $21.5 billion after 2031.

Capital Investment Grants. Section 3023 would authorize the appropriation of $15 billion ($3 billion annually) for competitive grants to state and local governments for new and expanded transit projects to include bus rapid transit, commuter and light rail, ferries, and streetcars. CBO estimates that implementing the section would cost $7.9 billion over the 2026-2031 period and $6.8 billion after 2031.

Bridge Investment Program. Section 1101 would authorize the appropriation of $10 billion ($2 billion annually) for a competitive grant program that focuses on projects to reduce the number of bridges in poor condition. Those amounts would be additional to the $9.2 billion the bill would provide in annual contract authority for the program. CBO estimates that implementing the section would cost $6.6 billion over the 2026-2031 period and $2.9 billion after 2031.

Multimodal Freight Projects. Section 1101 would authorize the appropriation of $6 billion ($1.2 billion annually) for multimodal freight projects to reduce travel congestion and improve safety related to the movement of freight between highways, ports, and railroads. CBO estimates that implementing the section would cost $4.0 billion over the 2026-2031 period and $1.7 billion after 2031.

National Infrastructure Grants. Section 7105 would authorize the appropriation of $10 billion ($2 billion annually) for national infrastructure grants to state, local, and tribal governments and to Amtrak if it forms a partnership with another eligible entity. The grants would be for projects to achieve a state of good repair and improve safety and reliability, particularly in areas with growing populations. The recipients' projects could involve intermodal or rail freight transport, national highways, or public transportation. CBO estimates that implementing the section would cost $3.2 billion over the 2026-2031 period and $6.6 billion after 2031.

Rail Infrastructure Grants. Section 10103, subsections (a) and (c), would expand the use of rail infrastructure grants to allow recipients to pay the credit risk premium for loans obtained through the Railroad Rehabilitation and Improvement Financing program and would authorize the appropriation of $27.6 billion for grants to states, groups of states, Amtrak, and other rail carriers. CBO estimates that implementing the provisions would cost $2.3 billion over the 2026-2031 period and $24.3 billion after 2031.

Federal Railroad Administration Operations and Research. Section 10102 would authorize the appropriation of various amounts each year, totaling $1.8 billion, for projects to improve railroad crossings and for research on rail safety and reliability. CBO estimates that implementing the section would cost $1.7 billion over the 2026-2031 period and $117 million after 2031.

Hazardous-Materials Transport. Section 10701 would authorize the appropriation of various amounts each year, totaling $380 million, for the Pipeline and Hazardous Materials Safety Administration's programs that govern hazardous-materials transport. CBO estimates that implementing the section would cost $339 million over the 2026-2031 period and $22 million after 2031.

Railroad Crossing Elimination Grants. Section 10103, subsection (b), would authorize the appropriation of various amounts in each fiscal year, totaling $3.7 billion, for projects to eliminate highway-rail crossings by relocating tracks and installing bridges. CBO estimates that implementing the provision would cost $276 million over the 2026-2031 period and $3.3 billion after 2031.

Strengthening Mobility Grants. Section 6001 would authorize the appropriation of $500 million ($100 million annually) for grants to projects that use advanced technology to improve transportation efficiency and safety, such as sensor-based traffic signals and flood detection and alert systems. CBO estimates that implementing the section would cost $182 million over the 2026-2031 period and $318 million after 2031.

Railroad Rehabilitation Loans. Section 10515 would authorize the appropriation of $250 million ($50 million annually) to provide credit assistance to borrowers seeking loans under the RRIF program. CBO estimates that implementing the section would cost $175 million over the 2026-2031 period and $70 million after 2031.

Transportation Assistance for International Games. Section 7104 would authorize the appropriation of $250 million ($50 million annually) for grants to state, local, and tribal governments to prepare airports, bridges, highways, public transit systems, railroads, and roads for FIFA World Cup events, the Olympics, and other international sporting events. CBO estimates that implementing the section would cost $162 million over the 2026-2031 period and $88 million after 2031.

Amtrak Office of Inspector General. Section 10109 would authorize the appropriation of various amounts in each fiscal year, totaling $161 million, for administrative expenses. CBO estimates that implementing the section would cost $144 million over the 2026-2031 period and $17 million after 2031.

Safe Streets. Sections 1119 and 1319 would authorize the appropriation of $1.0 billion ($205 million annually) for grants to promote safety for pedestrians, bicyclists, motorists, and public transportation users. CBO estimates that implementing the sections would cost $121 million over the 2026-2031 period and $853 million after 2031.

Registration Fee on Motor Vehicles. Section 1129 would authorize the appropriation of $104 million to provide assistance to state motor vehicle departments to establish systems to collect registration fees on electric and plug-in hybrid vehicles. The bill does not specify a year for the authorization, so for this estimate, CBO assumes that the authorization is for

2027. On that basis, CBO estimates that implementing the section would cost $104 million over the 2026-2031 period.

Tribal High-Priority Projects. Section 1136 would authorize the appropriation of $150 million ($30 million annually) for repairs to transportation facilities damaged by emergencies or disasters, for example. CBO estimates that implementing the section would cost $99 million over the 2026-2031 period and $43 million after 2031.

Commercial Motor Vehicle Workforce Development. Section 5407 would authorize the appropriation of various amounts each year, totaling $144 million, for grants to support education programs to help transportation workers adapt to emerging technologies in the commercial motor vehicle industry. CBO estimates that implementing the section would cost $99 million over the 2026-2031 period and $45 million after 2031.

Washington Metropolitan Area Transit Authority Grants. Section 3109 would authorize the appropriation of $150 million in 2031 for DOT to award grants to maintain the public transportation system in Washington, D.C., and parts of suburban Maryland and Virginia. CBO estimates that implementing the section would cost $75 million over the 2026-2031 period and $75 million after 2031.

Other Provisions. CBO estimates that other sections of the bill would authorize the appropriation of a total of $370 million over the 2026-2031 period for various purposes. Those amounts would be used by DOT to award grants to repair rail infrastructure damaged in natural disasters and for the Government Accountability Office and DOT's Office of Inspector General to prepare reports and audits. The funds also would be used for research on railroad safety and derailment prevention. CBO estimates that implementing the sections would cost $255 million over the 2026-2031 period.

Status of the Highway Trust Fund Under H.R. 8870

CBO's baseline projections for HTF accounts anticipate cumulative shortfalls of $86.0 billion at the end of 2031 for the highway account and of $45.2 billion for the transit account.[5] The shortfall is the amount by which outlays, given authorized and projected spending authority, exceed revenues and other amounts credited to the HTF.

CBO estimates that, over the 2027-2031 period, the HTF obligation limitations authorized in H.R. 8870 for surface transportation programs would exceed those in CBO's baseline by $37.5 billion for the highway account and by $9.4 billion for the transit account.

Based on historical spending patterns associated with those obligation limitations, and with adjustments for changes related to the bill's requirements for environmental reviews, CBO estimates that under the bill, the cumulative shortfall at the end of 2031 would be $99.5 billion for the highway account and $48.2 billion for the transit account (see Table 6).

5. Congressional Budget Office, "Highway Trust Fund Accounts—June 2026 Baseline," https://tinyurl.com/25ut6z62.

Those projections exclude revenue effects under a provision that would impose fees on electric and plug-in hybrid vehicles. The bill would not affect revenues credited to the HTF. Consistent with scoring conventions for all discretionary programs, CBO's estimates reflect the assumption that the pace of spending under H.R. 8870 would not be affected by a shortfall in the HTF.

Uncertainty

Most of the estimates for provisions in H.R. 8870 are subject to uncertainty, but several are particularly affected.

Rail Infrastructure Grants. The costs of allowing rail infrastructure grants to be used to pay the credit risk premium for loans taken out under the Railroad Rehabilitation and Improvement Financing program would depend on the timing, number, and size of the loans issued; the riskiness of those loans; and whether borrowers obtain grants. If the number or size of the projects or their timing differs from CBO's expectations, spending could be more or less than estimated.

Expedited Environmental Reviews. The estimated costs associated with provisions related to environmental reviews depend on assumptions about the share of project spending that would be affected by the new authorities, the shortened timelines for review and litigation, and the extent to which shorter review periods would translate to accelerated spending. Several provisions could affect a particular project or stage of planning, making it difficult to estimate their combined effect on project timelines. If a provision affects a larger share of projects than CBO estimates, or shortens projects' timelines more than expected, spending would accelerate more than CBO estimates. Conversely, if relatively few or small projects qualify for the new authorities, or if other preconstruction processes continue to constrain projects despite shorter environmental reviews, the acceleration in spending would be less than CBO estimates.

Emergency Response Assistance Program. The estimate of spending for emergency response assistance depends on the projected frequency and severity of hazardous-materials spills. The cost to the federal government to reimburse states or localities responding to such spills could be larger than CBO estimates if events are costlier or more frequent than anticipated (and vice versa).

Registration Fee on Motor Vehicles. Revenues collected for registrations of electric and plug-in hybrid vehicles under section 1129 could differ from estimated amounts if states begin to collect fees more quickly or slowly than CBO expects, or if there are more or fewer registrations than expected under current law.

Civil Penalties. It is difficult to determine the effect of larger civil penalties on compliance with railroad safety regulations. The additional revenue collected under the bill could be more or less than CBO estimates if larger penalties result in fewer or more violations than anticipated.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 7.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 8870 would not increase net direct spending by more than $2.5 billion in any of the four consecutive 10-year periods beginning in 2037.

CBO estimates that enacting H.R. 8870 would not increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2037.

Mandates

H.R. 8870 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate costs to state and local governments would be below the annual threshold established in UMRA for intergovernmental mandates ($107 million in 2026, adjusted annually for inflation) and that the aggregate costs to private-sector entities would exceed the annual threshold established in UMRA for private-sector mandates ($214 million in 2026, adjusted annually for inflation).

Registration Fee on Motor Vehicles

Section 1129 would require the owners of electric and plug-in hybrid vehicles to pay annual registration fees, which would impose intergovernmental and private-sector mandates on the owners of those vehicles. The requirement would include some light-duty vehicles owned by state and local government entities, including schools, universities, and other public institutions that must comply with state vehicle registration requirements. The legislation would exclude some commercial vehicles.

CBO estimates that the aggregate cost to comply with the private-sector mandate would be $205 million in 2028, rising to about $1.9 billion by 2032. Using data from the Department of Transportation and assuming that the share of electric and plug-in hybrid vehicles in state and local government fleets equals the national average, CBO estimates that the aggregate cost of the intergovernmental mandate would be about $2 million in 2028, rising to $19.5 million by 2032.

Section 1129 also would impose an intergovernmental mandate by requiring state and local governments to assess and collect and then remit the registration fees to the federal government. The bill would grant up to $2 million to each state and the District of Columbia to offset the cost of implementing the program in the first year and allow agencies to retain 1 percent of collections to offset administrative costs. Because states already have systems and personnel to remit fees to the federal government, CBO expects that the grant money and the retained funds would cover the costs incurred by some states. CBO also expects that

those states would levy a small surcharge on credit card payments to recover card-processing fees. However, in states that do not recover fees through a surcharge, the value of the 1 percent retention would be diminished and could be insufficient to cover related administrative costs. CBO estimates that the aggregate cost of compliance for state and local governments that do not assess processing fees would be a few million dollars each year once the program is fully implemented.

Transportation Liability Protections

The bill would impose intergovernmental and private-sector mandates by limiting rights of action against rideshare companies and peer-to-peer car-sharing companies.

Rideshare Companies. Section 1352 would impose a private-sector mandate on customers of rideshare companies by limiting their rights of action under state and local laws. The bill would prevent companies from being held liable under those laws for personal injury or property damage incurred when an affiliated driver is in an accident. The cost of the mandate would be the amount of payments injured parties would forgo as a result of the bill. Based on information about the insurance reserves of rideshare companies, CBO estimates that limiting those rights of action would result in several billions of dollars in lost payments each year.

Section 1352 also would impose an intergovernmental mandate by preempting state and local laws on the liability of rideshare companies. The bill provides exemptions for laws governing gross negligence, criminal wrongdoing, and financial responsibility. CBO estimates that the preemption would not result in an increase in expenditures or a decrease in revenues for state and local governments.

Peer-to-Peer Car-Sharing Companies. Section 5213 would limit rights of action against peer-to-peer car-sharing companies that use digital platforms to facilitate the rental of privately owned vehicles. The bill would modify an existing private-sector mandate that limits a right of action against rental car companies for accidents that involve vehicle renters to include a limitation on civil liability against peer-to-peer companies and vehicle owners.

Section 5214 also would limit civil actions that would require rental companies and owners to retrofit vehicles with optional equipment. The cost of the mandate would be the amount of payments injured parties would be denied as a result of the bill. Based on the market value of peer-to-peer companies and insurance claim rates, CBO estimates that the cost of the mandate would be tens of millions of dollars in lost payments each year.

Commercial Motor Carrier Requirements

H.R. 8870 would impose private-sector mandates on commercial motor carriers that pertain to lease-purchase agreements, automated driving systems, and visibility requirements for motorcoaches.

Lease-Purchase Agreements. Section 5101 would impose private-sector mandates on commercial motor carriers by instituting new lease-purchase program requirements. Lease-purchase agreements allow drivers working with a motor carrier to purchase semitrucks and trailers from the carrier in installments, generally withheld from a driver's pay. The bill would require carriers to disclose to drivers information concerning expected compensation, average driving distances, weekly schedules, and average deductions from their pay for expenses. The bill also would require carriers to provide information on the number of drivers entering into those agreements each year and the number of drivers who complete the lease terms or purchase a vehicle out of a lease. CBO estimates that the cost would be small because motor carriers already have access to the required information.

The bill also would prohibit lease-purchase programs that are considered predatory. CBO cannot determine the cost of compliance because it would depend on regulations yet to be issued by DOT.

Automated Driving Systems. Section 5402 would impose a private-sector mandate on motor carriers by setting new safety standards for commercial motor vehicles with an automated driving system (ADS). The standards would require use of certain hardware and software, specific engineering methods, cybersecurity plans, safety management systems, in-use monitoring, and restrictions on the transportation of minors and hazardous materials. The standards also could require ADS-equipped vehicles to use human drivers under certain circumstances. CBO cannot determine the cost of compliance because it would depend on regulations yet to be issued by DOT.

The bill also would impose an intergovernmental mandate by expanding DOT's authority to preempt state laws and regulations for commercial vehicle safety to include ADS-equipped commercial motor vehicles. CBO estimates that the preemption would not result in an increase in expenditures or a decrease in revenues for state and local governments.

Visibility Requirements for Motorcoaches. Section 4013 would impose a private-sector mandate on bus manufacturers by requiring buses to have minimally obstructed, forward-facing views from the driver's seat. Manufacturers could satisfy the mandate using cameras or other crash avoidance technology. CBO cannot determine the cost of compliance because it would depend on regulations yet to be issued by DOT.

Other Mandates. The bill contains other requirements that would constitute private-sector mandates, all with small costs:

- Prohibit the transportation of equines in vehicles containing more than one level and prohibit the transportation of equines for slaughter (section 5011),
- Require businesses that receive goods from delivery drivers and operators of marine terminals that load and unload cargo from vessels to provide access to restrooms for commercial vehicle drivers (section 5102), and

- Require employers to comply with updated regulations to maintain records of driver tests for alcohol and controlled substances for five years after an accident (section 5208).

Hazardous Materials
Title X would impose private-sector mandates on the transporters of lithium-ion (Li-ion) batteries and flammable materials by road or rail.

Lithium-Ion Batteries. Section 10712 would require road and rail carriers that transport Li-ion batteries to comply with updated regulations for shipments to be issued by DOT. The new regulations would prohibit the shipment of batteries that are in a charge state in excess of 30 percent of rated capacity, unless the shippers comply with current requirements for transporting hazardous materials. Under current law, there is no limit on the charge state of batteries for shipment by road or rail. Because reducing the charge state of the batteries would reduce the cost of compliance, CBO expects that most Li-ion batteries would be shipped in that condition, although some shipments would still need to comply with hazardous-materials regulations. The bill also would require DOT to update existing regulations governing the transport of damaged, defective, or recalled Li-ion cells. CBO estimates that the cost of compliance would be small.

High-Temperature Placards. Section 10707 would impose a private-sector mandate on owners and operators of tanker trailers and railcars by requiring the use of new hazardous-material placards that can withstand the flame temperatures of materials commonly transported by road or rail. Although the cost of compliance would depend on regulations to be issued by DOT, CBO estimates that the cost of updating the placards would be small.

Railroad Safety
Title X would impose intergovernmental and private-sector mandates on railroad operators and owners of railroad tracks.

Defect Detection Systems. Section 10807 would impose an intergovernmental and private-sector mandate on railroad owners by requiring the installation and maintenance of defect detection systems on tracks where hazardous materials are likely to be transported. The cost of the mandate would depend on regulations issued by DOT but could include compliance with rules for minimum distances between detection devices; schedules for testing and maintenance; and requirements for alerts, data recording, and reporting.

CBO expects that in rural areas, private-sector entities could spend tens of millions of dollars annually to install and maintain the hardware and systems required by the bill. Track owners already have installed thousands of detectors and have announced plans to install hundreds of new systems. Those efforts could meet or significantly reduce the number of systems necessary to comply with the minimum-distance requirements.

In urban areas, rules that require installation of more devices to detect track defects would impose an intergovernmental mandate on commuter railroads owned by public entities.

Grants authorized in the bill would offset the cost, but railroad owners would be responsible for maintenance. Based on industry data, CBO expects that commuter railroads would spend several million dollars annually to maintain those systems.

Locomotive Recording Devices. Section 10405 would impose a private-sector mandate by requiring the companies that constitute Class I railroads (those railroads have annual revenues of $490 million or more) to install inward- and outward-facing recording devices in controlling locomotives and cab cars. Current law already requires those devices on intercity and commuter passenger trains. CBO expects that most locomotives owned by Class I railroad companies are already equipped with such devices. CBO estimates that outfitting the remaining locomotives would cost $10 million to $15 million.

Tank Cars. Under current law, after May 1, 2029, rail carriers will be prohibited from transporting flammable materials in tank cars that do not meet or exceed the most recent rail safety standards. Section 10711 would change the deadline to December 31, 2028, with the option for the Secretary of Transportation to delay implementation by four additional months. Shortening the phaseout schedule for tank cars would impose a private-sector mandate on rail carriers. Although the overall cost of the transition would not differ substantially, the bill would require carriers to retrofit or replace tank cars sooner than they might under current law. Based on data from DOT, CBO estimates that rail carriers would incur tens of millions of dollars in additional costs, on average, in each year before the prohibition takes effect, although the largest annual expense would occur in the final year, when cars that are not retrofitted would be retired and replaced.

Emergency Response Plans and Reimbursements. Section 10802 would impose a private-sector mandate on certain carriers that transport hazardous materials by requiring the development of emergency plans to respond to releases, or potential releases, of hazardous materials. Those plans would include a process by which communities would be reimbursed for response costs either by agreement with a carrier or directly from DOT. CBO estimates that the cost to comply with that mandate would be small.

Section 10823 would impose a private-sector mandate by requiring carriers that do not reach an agreement to reimburse a community to instead pay DOT to cover the costs of a community's hazardous-materials response. Although the frequency and severity of incidents may fluctuate from year to year, based on data from DOT, CBO estimates that the combined cost to carriers to reimburse claims for 80 cases per year would total $15 million to $20 million, on average, while the requirement is in effect.

Section 10802 also would expand an existing private-sector mandate on certain carriers to make real-time, accurate data available to state authorities by requiring detailed data on the frequency, volume, and type of hazardous-materials shipments. CBO estimates that the cost to comply with that mandate would be small.

The bill would impose an intergovernmental mandate on state governments, which would be required to relay information submitted by carriers to local governments upon request. CBO expects that the cost to comply with that mandate would be small.

Safety and Administrative Requirements. Title X would impose private-sector mandates on some rail carriers, all with small costs:

- Maintain data on blocked railroad crossings for no more than 60 days (section 10414),
- Allow employees to participate in confidential close-call reporting systems (section 10420),
- Comply with updated regulations for training railroad engineers (section 10424),
- Increase the number of required railcar and locomotive safety inspections and modify qualifications for safety inspectors (section 10805), and
- Staff freight trains with at least two crew members (section 10808).

Section 10803 would allow the Federal Railroad Administration to revise regulations for transporting goods and passengers by rail, including the requirement that rail carriers account for the safety effects of train length and weight. CBO cannot determine the cost of compliance because it would depend on regulations yet to be issued by DOT.

Section 10432 would require public- and private-sector track owners to use track geometry measurement systems to inspect their railroad tracks. The number of inspections, ranging from one to four per year, would depend on track classifications and annual tonnage carried. (Class 3, 4, and 5 tracks allow freight trains to operate at speeds between 40 and 80 miles per hour and passenger trains to operate between 60 and 90 miles per hour. Classifications are assigned on the basis of maximum operating speed.) Based on information from the Federal Railroad Administration, CBO estimates that the cost of the mandate would be several million dollars annually. Section 10432 also would prohibit DOT from waiving the requirement for additional weekly inspections by qualified inspectors of Class 3, 4, and 5 tracks unless an alternative inspection method is available to identify all safety defects.

Fees. If the Pipeline and Hazardous Materials Safety Administration increases fees to implement the bill, starting in 2029, sections 10701 and 10822 would increase the cost of an existing private-sector mandate on companies that are required to pay those fees by $6 million annually.

Amtrak

Title X would impose an intergovernmental mandate by prohibiting state and local governments from imposing any taxes, assessments, or charges on Amtrak-owned properties or leaseholds. Under current law, Amtrak is not required to pay taxes or fees on its real or personal property. The bill would extend that exemption to station area or transit projects

developed in partnership with other entities and financed through the Railroad Rehabilitation and Improvement Financing program.

The bill would authorize Amtrak to execute agreements with its station area development partners to remit an amount equal to the taxes that otherwise would have been paid annually to state and local governments. The bill would prevent state and local entities from requiring Amtrak or its partners to remit payments in lieu of taxes as a condition of approving a station area development project. The cost of the mandate would depend on the number and size of developments and whether Amtrak elects to remit payments in lieu of taxes. CBO cannot determine the cost of the mandate, but based on information about the value of Amtrak's portfolio and average rates used to calculate property taxes, CBO does not expect the cost to exceed the threshold for intergovernmental mandates.

The bill also would exempt projects financed under the RRIF program from state and local building and zoning laws, which constitutes a preemption of state and local laws. CBO estimates that the preemption would not result in an increase in expenditures or a decrease in revenues for state and local governments.

Several provisions would impose private-sector mandates on Amtrak, which CBO treats as a nonfederal, private entity. The bill would require Amtrak to provide data upon request to states that participate in the State-Amtrak Intercity Passenger Rail Committee, to publish proposals for corporate restructuring in the *Federal Register,* and to comply with modifications to its reporting requirements. CBO estimates that the cost of compliance with those mandates would be small.

Previous CBO Estimates

On May 13, 2025, CBO transmitted a cost estimate for the Reconciliation Recommendations of the House Committee on Transportation and Infrastructure, as ordered reported on April 30, 2025, which gave estimates of the effects of enacting sections 100004 and 100005 (concerning registration fees for electric and hybrid vehicles). Although those two sections are similar to section 1129 of H.R. 8870 (concerning registration fees for electric and plug-in hybrid vehicles), they involve different vehicle types and fee amounts. CBO's estimates of the budgetary effects of the two pieces of legislation reflect those differences.

On July 9, 2026, CBO transmitted a cost estimate of selected provisions of H.R. 8870, the BUILD America 250 Act, as ordered reported by the House Committee on Transportation and Infrastructure on May 22, 2026. This document provides CBO's estimates of the budgetary effects of the entire bill.

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Table 1.
Estimated Budgetary Effects of H.R. 8870

	By Fiscal Year, Millions of Dollars												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-2031	2026-2036
Increases or Decreases (-) in Direct Spending													
Contract Authority[a]													
Contract Authority[b]	0	11,897	13,060	14,767	16,397	18,107	18,107	18,107	18,107	18,107	18,107	74,228	164,763
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Provisions													
Budget Authority	0	17	18	15	18	21	22	22	21	22	23	89	199
Estimated Outlays	0	647	1,410	-144	-122	-122	-98	56	147	360	364	1,669	2,498
Total Changes													
Budget Authority	0	11,914	13,078	14,782	16,415	18,128	18,129	18,129	18,128	18,129	18,130	74,317	164,962
Estimated Outlays	0	647	1,410	-144	-122	-122	-98	56	147	360	364	1,669	2,498
Increases in Revenues													
Estimated Revenues	0	1	154	538	875	1,228	1,449	1,699	1,897	2,183	2,430	2,796	12,453
Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues													
Effect on the Deficit	0	646	1,256	-682	-997	-1,350	-1,547	-1,643	-1,750	-1,823	-2,066	-1,127	-9,955
Increases in Spending Subject to Appropriation													
Obligation Limitations													
Obligation Limitations[c]	0	91,183	92,346	94,053	95,683	97,393	0	0	0	0	0	470,658	470,658
Estimated Outlays	0	19,688	53,322	67,504	74,435	81,405	65,622	32,179	19,066	13,998	8,317	296,354	435,536
Other Authorized Programs													
Authorization	0	21,089	21,288	21,655	22,017	22,553	8	8	8	8	8	108,602	108,642
Estimated Outlays	0	1,525	4,244	7,308	10,701	13,597	14,389	13,404	11,485	9,227	7,474	37,375	93,354
Total Changes													
Authorization	0	112,272	113,634	115,708	117,700	119,946	8	8	8	8	8	579,260	579,300
Estimated Outlays	0	21,213	57,566	74,812	85,136	95,002	80,011	45,583	30,551	23,225	15,791	333,729	528,890

Sources: Congressional Budget Office; Staff of the Joint Committee on Taxation.

Components may not sum to totals because of rounding. Estimates are relative to CBO's February 2026 baseline, including adjustments subsequently enacted through the Continuing Appropriations and Extensions Act, 2027. Contract authority and all authorizations are estimated.

a. Amounts are for changes in contract authority subject to obligation limitations. Most programs financed through the Highway Trust Fund have a split budgetary treatment. Contract authority allows programs to obligate funds in advance of an appropriation act and is classified as mandatory budget authority; outlays under that authority usually are classified as discretionary because they are controlled by obligation limitations, provisions in appropriation acts that restrict the availability of budget authority provided under another law. Under current law, some programs' contract authority is exempt from those limitations so the outlays are recorded as direct spending. CBO's baseline through 2036 includes $7.4 billion in exempt contract authority. H.R. 8870 would not change the amount of exempt contract authority relative to CBO's baseline.

b. Consistent with the rules in the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's estimates incorporate the assumption that the mandatory budget authority provided in 2031, the final year of the bill's authorization, would continue indefinitely. (Table 3 shows changes in contract authority relative to the baseline.)

c. Consistent with the rules in the Deficit Control Act, CBO does not extend amounts authorized to be appropriated beyond an authorization's expiration date; thus, CBO has not estimated obligation limitations beyond 2031.

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Table 2.
Estimated Changes in Direct Spending Under H.R. 8870

	By Fiscal Year, Millions of Dollars												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-2031	2026-2036
Contract Authority													
Budget Authority	0	11,897	13,060	14,767	16,397	18,107	18,107	18,107	18,107	18,107	18,107	74,228	164,763
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Rail Infrastructure Grants[a, b]													
Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	0	50	200	250	300	250	150	100	100	50	50	1,050	1,500
Expedited Environmental Reviews[a, b]													
Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	0	564	1,177	-416	-439	-388	-266	-59	31	291	294	498	789
Asset Disposition Proceeds													
Budget Authority	0	7	7	7	7	7	7	7	7	7	7	35	70
Outlays	0	7	7	7	7	7	7	7	7	7	7	35	70
TIFIA[b]													
Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	0	25	20	13	3	1	-1	-3	-3	0	0	62	55
Emergency Preparedness Grants													
Budget Authority	0	6	6	0	0	0	0	0	0	0	0	12	12
Outlays	0	0	0	-6	-4	-2	*	0	0	0	0	-12	-12
Emergency Response Assistance Program													
Budget Authority	0	4	4	7	11	13	13	13	13	14	14	39	106
Outlays	0	0	4	8	10	10	10	10	10	11	11	32	84
Transportation Workforce Education													
Budget Authority	0	*	1	1	*	1	2	2	1	1	2	3	11
Outlays	0	*	1	*	1	*	2	1	2	1	2	2	10
National Academy of Sciences Study													
Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	0	1	1	0	0	0	0	0	0	0	0	2	2
Total Changes													
Budget Authority	0	11,914	13,078	14,782	16,415	18,128	18,129	18,129	18,128	18,129	18,130	74,317	164,962
Outlays	0	647	1,410	-144	-122	-122	-98	56	147	360	364	1,669	2,498

All budget authority is estimated. In addition to the amounts shown here, CBO estimates that enacting other provisions of H.R. 8870 would affect direct spending by insignificant amounts over the 2026-2036 period.

TIFIA = Transportation Infrastructure Finance and Innovation Act; * = between -$500,000 and $500,000.

a. The Infrastructure Investment and Jobs Act provided advanced appropriations, designated as an emergency requirement, for rail infrastructure grant programs and transportation construction projects. CBO estimates that a portion of the estimated increase in outlays from enacting those provisions would be from emergency funds. The total increase in spending from the relevant provisions under the bill is $2.3 billion, of which $1.7 billion would come from emergency funds.

b. Enacting provisions that would accelerate spending would not affect budget authority because the funds that would be used were provided in previous appropriations. Additionally, enacting such provisions would decrease direct spending after 2036.

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Table 3.
Contract Authority Subject to Obligation Limitations for Surface Transportation Programs, in CBO's Baseline and Under H.R. 8870

	By Fiscal Year, Millions of Dollars											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2027-2031	2027-2036
Contract Authority Included in CBO's Baseline												
Contract Authority	79,286	79,286	79,286	79,286	79,286	79,286	79,286	79,286	79,286	79,286	396,430	792,860
Contract Authority Under H.R. 8870 [a]												
Amounts Provided	91,183	92,346	94,053	95,683	97,393	0	0	0	0	0	470,658	470,658
Amounts Assumed to Continue	0	0	0	0	0	97,393	97,393	97,393	97,393	97,393	0	486,965
Total Contract Authority	91,183	92,346	94,053	95,683	97,393	97,393	97,393	97,393	97,393	97,393	470,658	957,623
Increase in Contract Authority Relative to CBO's Baseline												
Increase[b]	11,897	13,060	14,767	16,397	18,107	18,107	18,107	18,107	18,107	18,107	74,228	164,763

Contract authority is a form of mandatory budget authority that allows an agency to incur obligations in advance of funding in an appropriation act. Historically, most spending of contract authority has been controlled by obligation limitations, provisions in appropriation acts that curtail the amount of contract authority that may be obligated.

Consistent with the rules in the Balanced Budget and Deficit Control Act of 1985, CBO's baseline incorporates the assumption that the amount of contract authority provided in the final year of the surface transportation programs' authorizations continues in each subsequent year. Under the current surface transportation reauthorization (divisions A, B, and C of the Infrastructure Investment and Jobs Act, 2021, and the Continuing Appropriations and Extensions Act, 2027), contract authority is provided for the program through December 11, 2026.

a. H.R. 8870 also would authorize about $3.7 billion in contract authority that would be exempt from obligation limitations over the 2027-2031 period. Consistent with the rules in the Deficit Control Act, CBO estimates that amount would be extended and would total $7.4 billion over the 2026-2036 period. The $3.7 billion the bill would provide and the $3.7 billion assumed to continue are equal to the amounts included in CBO's baseline projections in every year and over the 2026-2036 period, including adjustments subsequently enacted under the Continuing Appropriations and Extensions Act, 2027.

b. Amounts are the same as those shown in Table 1 for "Estimated Contract Authority"; those amounts are subject to obligation limitations.

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Table 4.
Estimated Changes in Revenues Under H.R. 8870

	By Fiscal Year, Millions of Dollars												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-2031	2026-2036
Registration Fee on Motor Vehicles[a]													
Estimated Revenues	0	0	152	534	868	1,220	1,440	1,690	1,888	2,174	2,421	2,774	12,387
Emergency Response Assistance Program													
Estimated Revenues	0	0	0	2	5	6	6	6	6	6	6	13	43
Civil Penalties													
Estimated Revenues	0	1	2	2	2	2	3	3	3	3	3	9	24
State Infrastructure Banks[b]													
Estimated Revenues	0	0	*	*	*	*	*	*	*	*	*	*	-1
Total Changes													
Estimated Revenues	0	1	154	538	875	1,228	1,449	1,699	1,897	2,183	2,430	2,796	12,453
Memorandum:													
Registration Fee on Motor Vehicles[c]													
Total													
Gross Estimated Revenues	0	0	207	726	1,177	1,655	1,951	2,287	2,554	2,942	3,276	3,765	16,775

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Components may not sum to totals because of rounding; * = between -$500,000 and zero.

In addition to the amounts shown here, CBO estimates that enacting other provisions would affect revenues by insignificant amounts over the 2026-2036 period.

a. H.R. 8870 states that the sense of the Committee on Transportation and Infrastructure is that revenues collected from registration fees would be deposited into the Highway Trust Fund. H.R. 8870 does not provide for that deposit. For the purpose of estimating the effects of section 1129, this estimate incorporates the assumption that the states expect that the revenues collected would be dedicated to the Highway Trust Fund.

b. The estimate was provided by the staff of the Joint Committee on Taxation.

c. The memorandum shows the estimated gross amount, before the offset is applied, that would be collected by the states and remitted to the federal government from the registration fee on electric and plug-in hybrid vehicles. If subsequent amendments (possibly from the House Committee on Ways and Means) were to require it, the gross amount would be deposited into the Highway Trust Fund.

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Table 5.
Estimated Increases in Spending Subject to Appropriation Under H.R. 8870

	By Fiscal Year, Millions of Dollars						
	2026	2027	2028	2029	2030	2031	2026-2031
Obligation Limitations for Surface Transportation Programs							
Obligation Limitations	0	91,183	92,346	94,053	95,683	97,393	470,658
Estimated Outlays	0	19,688	53,322	67,504	74,435	81,405	296,354
Other Authorized Programs							
Amtrak Grants							
Authorization	0	5,850	6,030	6,210	6,395	6,580	31,065
Estimated Outlays	0	0	293	1,472	3,272	4,541	9,578
Capital Investment Grants							
Authorization	0	3,000	3,000	3,000	3,000	3,000	15,000
Estimated Outlays	0	300	1,170	1,770	2,160	2,520	7,920
Bridge Investment Program							
Authorization	0	2,000	2,000	2,000	2,000	2,000	10,000
Estimated Outlays	0	480	1,248	1,528	1,628	1,726	6,610
Multimodal Freight Projects							
Authorization	0	1,200	1,200	1,200	1,200	1,200	6,000
Estimated Outlays	0	288	749	917	977	1,036	3,967
National Infrastructure Grants							
Authorization	0	2,000	2,000	2,000	2,000	2,000	10,000
Estimated Outlays	0	20	130	568	1,086	1,444	3,248
Rail Infrastructure Grants							
Authorization	0	5,221	5,371	5,521	5,671	5,821	27,605
Estimated Outlays	0	0	52	315	715	1,258	2,340
Federal Railroad Administration Operations and Research							
Authorization	0	341	350	359	369	379	1,798
Estimated Outlays	0	263	324	352	366	376	1,681
Hazardous-Materials Transport							
Authorization	0	75	76	76	76	77	380
Estimated Outlays	0	53	68	72	73	73	339
Railroad Crossing Elimination Grants							
Authorization	0	675	700	725	750	800	3,650
Estimated Outlays	0	0	0	34	86	156	276
Strengthening Mobility Grants							
Authorization	0	100	100	100	100	100	500
Estimated Outlays	0	0	2	30	65	85	182
Railroad Rehabilitation Loans							
Authorization	0	50	50	50	50	50	250
Estimated Outlays	0	13	33	41	43	45	175
Transportation Assistance for International Games							
Authorization	0	50	50	50	50	50	250
Estimated Outlays	0	11	26	36	42	47	162
Amtrak Office of Inspector General							
Authorization	0	31	32	32	33	33	161
Estimated Outlays	0	19	28	32	32	33	144

(Continued)

Table 5.
Estimated Increases in Spending Subject to Appropriation Under H.R. 8870

(Continued)

	By Fiscal Year, Millions of Dollars						
	2026	2027	2028	2029	2030	2031	2026-2031
Safe Streets							
Authorization	0	205	205	205	205	205	1,025
Estimated Outlays	0	0	2	12	33	74	121
Registration Fee on Motor Vehicles[a]							
Authorization	0	104	0	0	0	0	104
Estimated Outlays	0	10	42	31	16	5	104
Tribal High-Priority Projects							
Authorization	0	30	30	30	30	30	150
Estimated Outlays	0	7	19	23	24	26	99
Commercial Motor Vehicle Workforce Development							
Authorization	0	28	28	29	29	30	144
Estimated Outlays	0	7	14	21	28	29	99
WMATA Grants							
Authorization	0	0	0	0	0	150	150
Estimated Outlays	0	0	0	0	0	75	75
Other Provisions							
Estimated Authorization	0	129	66	68	59	48	370
Estimated Outlays	0	54	44	54	55	48	255
Subtotal, Other Authorized Programs							
Estimated Authorizations	0	21,089	21,288	21,655	22,017	22,553	108,602
Estimated Outlays	0	1,525	4,244	7,308	10,701	13,597	37,375
Total Changes							
Estimated Authorization	0	112,272	113,634	115,708	117,700	119,946	579,260
Estimated Outlays	0	21,213	57,566	74,812	85,136	95,002	333,729

WMATA = Washington Metropolitan Area Transit Authority.

a. The bill does not specify a year for the authorization, so for this estimate, CBO assumes that the authorization is for 2027.

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Table 6.
Estimated Spending From the Highway and Transit Accounts of the Highway Trust Fund Under H.R. 8870

	By Fiscal Year, Millions of Dollars					
	2026	2027	2028	2029	2030	2031
Highway Account						
Start-of-Year Balance	56,418	35,980	11,463	a	a	a
Flexed Balances[b]	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200
Receipts[c,d]	41,560	42,269	42,826	43,297	43,738	44,174
Interest	1,415	589	23	a	a	a
Outlays	62,213	66,176	69,174	69,687	70,096	71,249
End-of-Year Balance	35,980	11,463	a	a	a	a
Transit Account						
Start-of-Year Balance	17,861	8,173	a	a	a	a
Flexed Balances[b]	1,200	1,200	1,200	1,200	1,200	1,200
Receipts[c,d]	5,662	5,731	5,770	5,795	5,814	5,831
Interest	399	66	a	a	a	a
Outlays	16,949	18,279	18,541	18,061	18,063	18,399
End-of-Year Balance	8,173	a	a	a	a	a
Memorandum:						
Cumulative Shortfall[a]						
Highway Account	n.a.	n.a.	-16,063	-43,653	-71,211	-99,486
Transit Account	n.a.	-3,110	-14,680	-25,746	-36,795	-48,164

Components may not sum to totals because of rounding.

Outlays, revenues, and interest projections are relative to CBO's February 2026 baseline, including adjustments subsequently enacted through the Continuing Appropriations and Extensions Act, 2027.

n.a. = not applicable

a. Under current law, the Highway Trust Fund cannot incur negative balances. However, consistent with the rules in the Balanced Budget and Emergency Deficit Control Act of 1985, CBO's baseline for federal spending on surface transportation incorporates the assumption that obligations presented to the Highway Trust Fund will be paid in full. The memorandum shows the cumulative shortfall of fund balances on the basis of spending amounts that are consistent with CBO's estimate for H.R. 8870 for programs paid from the Highway Trust Fund, including the Federal-Aid Highways, National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration, and the Federal Transit Administration, with baseline projections for those programs updated for the obligation limitations enacted in the Continuing Appropriations and Extensions Act, 2027.

b. Flexed balances represent amounts transferred from the highway account to the transit account.

c. H.R. 8870 does not require fees that would be imposed on electric and plug-in hybrid vehicles to be deposited into the Highway Trust Fund; those amounts are not included here.

d. Some of the taxes that are credited to the Highway Trust Fund are scheduled to expire on September 30, 2028, including the taxes on tires and all but 4.3 cents of the federal tax on motor fuels. However, consistent with the rules in the Deficit Control Act, these estimates reflect the assumption that the expiring taxes credited to the fund will continue to be collected after fiscal year 2028.

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Table 7.
CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 8870, the BUILD America 250 Act, as Ordered Reported by the House Committee on Transportation and Infrastructure on May 22, 2026

	By Fiscal Year, Millions of Dollars												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-2031	2026-2036
	Net Increase or Decrease (-) in the Deficit												
Statutory Pay-As-You-Go Effect	0	646	1,256	-682	-997	-1,350	-1,547	-1,643	-1,750	-1,823	-2,066	-1,127	-9,955
Memorandum:													
Changes in Outlays	0	647	1,410	-144	-122	-122	-98	56	147	360	364	1,669	2,498
Changes in Revenues	0	1	154	538	875	1,228	1,449	1,699	1,897	2,183	2,430	2,796	12,453

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.
Components may not sum to totals because of rounding.