



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 27, 2014

### **S. 1451 Lake Tahoe Restoration Act of 2013**

*As ordered reported by the Senate Committee on Environment and Public Works  
on February 6, 2014*

#### **SUMMARY**

S. 1451 would authorize appropriations to restore the ecological health of the Lake Tahoe Basin in California and Nevada. The authorized funds would be available to the Forest Service, the U.S. Fish and Wildlife Service (USFWS), and the Environmental Protection Agency (EPA) for projects that reduce the risk of fire, provide assistance to state and local governments for water management, and protect against invasive species.

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1451 would cost \$192 million over the 2015-2019 period and \$223 million after 2019. Enacting the legislation could increase offsetting receipts (from inspection fees) and associated direct spending, as well as revenues (from civil penalties); therefore, pay-as-you-go procedures apply. However, CBO estimates that any net effects of new offsetting receipts, direct spending, and revenues would be negligible in any year.

S. 1451 would impose an intergovernmental and private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on owners and operators of watercraft used in the Lake Tahoe Basin. CBO estimates that the cost of the mandate would fall significantly below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$76 million and \$152 million in 2014, respectively, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1451 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2015- 2019
	2015	2016	2017	2018	2019	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Forest Service Programs						
Estimated Authorization Level	25	25	25	25	25	126
Estimated Outlays	18	24	25	25	25	117
Multi-agency Programs						
Estimated Authorization Level	11	11	11	11	11	57
Estimated Outlays	8	10	11	11	11	52
U.S. Fish and Wildlife Service Programs						
Estimated Authorization Level	5	5	5	5	5	25
Estimated Outlays	4	5	5	5	5	23
Total Changes						
Estimated Authorization Level	42	42	42	42	42	208
Estimated Outlays	29	39	41	41	42	192

Note: Amounts may not sum to totals because of rounding.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2014 and that the authorized amounts will be appropriated over the 2015-2024 period. Estimated outlays are based on historical spending patterns for ongoing and similar activities.

### Spending Subject to Appropriation

Section 9 would authorize the appropriation of \$415 million over the 10-year period beginning after the enactment of the bill for several federal agencies to perform ecological restoration activities in the Lake Tahoe Basin. CBO assumes that those amounts would be appropriated evenly over the 10-year period—amounting to about \$42 million a year and \$208 million over the 2015-2019 period.

Of the amounts authorized under section 9, \$252 million would be available for the Forest Service to reduce the risk of fire, conduct restoration projects, and fund environmental research in the Lake Tahoe Basin. An additional \$113 million would be authorized for the Forest Service and EPA to make grants to state and local governments for certain water management projects. Finally, an authorization of \$50 million would support USFWS activities to protect against invasive species and to restore native species to the Lake Tahoe

Basin. Assuming appropriation of the authorized amounts, CBO estimates that implementing those provisions would cost \$192 million over the 2015-2019 period and \$223 million after 2019.

### **Direct Spending and Revenues**

S. 1451 would require the USFWS to ensure that watercraft are inspected prior to launching in waters of the Lake Tahoe Basin to prevent organisms from other bodies of water from contaminating the basin. The bill would authorize the agency to establish inspection and decontamination stations within the basin and to certify nonfederal entities to operate similar facilities. The bill also would allow any entity performing those activities to collect and spend fees to cover the cost of operating those facilities. CBO expects that the USFWS would certify the Tahoe Regional Planning Agency to conduct inspections and collect fees under the bill; and we estimate that the collection and expenditure of such fees would have no net impact on direct spending in any year.

The bill also would establish civil penalties for individuals who launch watercraft in the Lake Tahoe Basin that have not been inspected and decontaminated in accordance with standards established by the USFWS. Any penalties collected would be recorded as revenues in the budget and deposited into the general fund of the U.S. Treasury. Based on information obtained from the USFWS, CBO estimates that annual revenues from those civil penalties would not be significant.

### **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. S. 1451 could increase offsetting receipts (from inspection fees) and associated direct spending. The bill also could increase revenues (from civil penalties); therefore, pay-as-you-go procedures apply. However, CBO estimates that any increase in offsetting receipts would be offset by similar increases in direct spending and any new revenues from penalties would be insignificant.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1451 would impose an intergovernmental and private-sector mandate as defined in UMRA. The bill would require owners and operators of watercraft to submit their watercraft for inspection and decontamination of invasive species prior to launching in waters of the Lake Tahoe Basin. Because the regional agency for the Lake Tahoe Basin currently subjects watercraft to inspection requirements and fees, most owners and operators would already be in compliance with the bill's requirements. Therefore, CBO estimates that the cost to comply with the mandate would be minimal and would fall

significantly below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$76 million and \$152 million in 2014, respectively, adjusted annually for inflation).

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