CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 14, 2013

H.R. 1170

A bill to direct the Secretary of the Interior, acting through the Bureau of Land Management and the Bureau of Reclamation, to convey, by quitclaim deed, to the city of Fernley, Nevada, all right, title, and interest of the United States, to any federal land within that city that is under the jurisdiction of either of those agencies

As ordered reported by the House Committee on Natural Resources on July 31, 2013

H.R. 1170 would direct the Secretary of the Interior to sell up to 9,400 acres of federal land to the city of Fernley, Nevada. Based on information provided by the city, CBO estimates that enacting the bill would increase offsetting receipts, which are treated as reductions in direct spending, by $5 million over the 2014-2023 period. Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

Under the bill, if the city offered to purchase any of the affected lands, the Secretary would be required to sell the lands for fair market value. CBO expects that the city would only offer to purchase the lands if a private developer provided the amounts necessary to complete those purchases. Based on information provided by the city, CBO expects that up to 25 percent of the affected lands would be purchased over the 2014-2023 period, and we estimate that the average value of those lands would be about $3,500 per acre, based on the value of similar lands in the area. Because the timing of land purchases by the city of Fernley are uncertain, CBO assumes that the expected total receipt of $5 million would be spread evenly over the 2014-2023 period.

H.R. 1170 would require the city of Fernley to pay for any administrative costs associated with the sales of the affected land; therefore, CBO estimates that implementing the bill would not affect discretionary spending.

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

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net budgetary changes that are subject to pay-as-you-go procedures are shown in the following table. (The estimated effects for each year are receipts of less than $500,000.)

CBO Estimate of the Statutory Pay-As-You-Go Effects for H.R. 1170, a bill to direct the Secretary of the Interior, acting through the Bureau of Land Management and the Bureau of Reclamation, to convey, by quitclaim deed, to the City of Fernley, Nevada, all right, title, and interest of the United States, to any federal land within that city that is under the jurisdiction of either of those agencies, as ordered reported by the House Committee on Natural Resources on July 31, 2013

	By Fiscal Year, in Millions of Dollars											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT												
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	-2	-5

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.