CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 20, 2013

H.R. 657
Grazing Improvement Act

As ordered reported by the House Committee on Natural Resources on June 12, 2013

CBO estimates that enacting H.R. 657 would affect offsetting receipts, which are treated as reductions in direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such effects would be negligible over the 2014-2023 period. We also estimate that implementing the legislation would have no significant impact on discretionary spending. Enacting H.R. 657 would not affect revenues.

H.R. 657 would increase the term of new grazing permits on federal lands from 10 years to 20 years and allow expired and transferred grazing permits to remain in effect until new permits are issued by the Bureau of Land Management or the Forest Service. Based on information provided by the affected agencies, CBO estimates that enacting that provision would have a minimal impact on offsetting receipts each year because those agencies have the authority under current law to extend expired permits. The bill would allow the affected agencies to collect offsetting receipts from transferred permits sooner than it would under current law; however, because the number of permits that would be affected each year accounts for less than 5 percent of all federal grazing permits, the net budgetary impact would be negligible. In 2012, gross federal collections from grazing permits totaled about $20 million.

Because the bill would allow transferred permits to remain in effect under the terms of the original permit until that permit expires, CBO expects that the agencies would receive fewer requests for new permits in the next few years; however, because those permits would need to be renewed in later years, CBO estimates that implementing the provision would have no significant net effect on agencies' workloads over the 2014-2018 period.

Finally, the bill would exclude certain grazing lands from compliance with the National Environmental Policy Act (NEPA) and would exempt certain renewed or transferred grazing permits from NEPA requirements. CBO estimates that those provisions would have no effect on discretionary spending because we expect that any reduction in spending on NEPA activities on those lands would be spent to reduce the agencies' backlog of incomplete NEPA activities on other federal lands.

H.R. 657 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

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