CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 4, 2008

S. 1377
Southern Nevada Limited Transition Area Act

As ordered reported by the Senate Committee on Energy and Natural Resources on January 30, 2008

S. 1377 would direct the Bureau of Land Management (BLM) to convey about 500 acres of federal land ("transition area") in southern Nevada to the city of Henderson. CBO estimates that implementing this bill would have no net effect on the federal budget. Enacting S. 1377 would reduce offsetting receipts and associated direct spending, but CBO estimates that such reductions would offset each other. Enacting the bill would not affect revenues.

The bill would require BLM to convey to Henderson, without consideration, all right, title, and interest in the transition area at the request of the city. (Under existing law, BLM is scheduled to sell the transition area within the next few years and spend its portion of the proceeds for projects in Nevada.) The city would be permitted to sell the property at fair market value and 85 percent of any proceeds would be distributed to the federal government (in accordance with the receipt-sharing formula specified in the Southern Nevada Public Land Management Act of 1998.)

Assuming that the city would receive the transition area in the next year, sell that property in 2009 or 2010, and give 85 percent of the proceeds to BLM, CBO expects that the agency would receive an estimated $150 million from sales proceeds in 2009 or 2010 and spend that amount over the next several years as it would have if it had sold the property itself. CBO estimates that enacting S. 1377 would thus have no net impact on the federal budget.

S. 1377 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit the city of Henderson by authorizing the conveyance of land without consideration.

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