



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 5, 2002

H.R. 1870

Fallon Rail Freight Loading Facility Transfer Act

As ordered reported by the House Committee on Resources on February 27, 2001

H.R. 1870 would direct the Secretary of the Interior to convey 6.3 acres of real property in the Newlands Reclamation Project to the city of Fallon, Nevada. As a condition of the conveyance, all liability issues, including environmental liability, would need to be resolved. In addition, the city would have to pay the fair market value of the property, minus the value of existing structural improvements. The proceeds of the sale would be credited to the Newlands Reclamation Project fund and would be available for future construction costs, subject to appropriation action.

CBO estimates that enacting H.R. 1870 would have no significant effect on the federal budget. Based on information from the Bureau of Reclamation and the city of Fallon, CBO estimates that the federal government would receive about \$330,000 from the sale of the lands. This amount represents a 1995 appraisal of the property adjusted for inflation. According to the Bureau, the transfer of title to the property would take place by the end of fiscal year 2003. Currently, the Bureau receives income of \$15,000 to \$18,000 a year from the Premier Chemical Company for the use of a loading facility located on the property. Because enacting H.R. 1870 would affect offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply, but CBO estimates that the impact on direct spending would be negligible.

H.R. 2984 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. The conveyance authorized by this bill would be voluntary on the part of the city of Fallon, as would any associated costs.

The CBO staff contacts for this estimate are Julie Middleton (for federal costs) and Marjorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.