

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 2, 1998

S. 2069

A bill to permit the mineral leasing of Indian land located within the Fort Berthold Indian Reservation in any case in which there is consent from a majority interest in the parcel of land under consideration for lease

As ordered reported by the Senate Committee on Indian Affairs on May 20, 1998

S. 2069 would modify the conditions under which the Secretary of the Interior may approve a mineral lease or agreement that affects individually owned Indian land within the Fort Berthold Reservation in North Dakota. Under current law, approval of such leases requires the consent of all of the individuals that have an undivided interest in a property. This bill would ease that requirement by making the Secretary's approval contingent upon the consent of a simple majority of individual owners. Once approved by the Secretary, an agreement would be binding on all owners of the property, and any receipts would be distributed in proportion to each owner's interest in the property.

CBO estimates that implementing S. 2069 would have no effect on direct spending or receipts, because any income resulting from agreements approved under this legislation would be paid directly to the Indian owners or to the Fort Berthold tribal government. Hence, pay-as-you-go procedures would not apply to the bill. Although the Bureau of Indian Affairs would incur additional costs if S. 2069 results in more leasing activity on the reservation, we estimate that any effect on discretionary spending would be insignificant.

S. 2069 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 Fort Berthold tribal government might receive additional income if these changes lead to increased leasing activity on the reservation.

On October 30, 1997, CBO transmitted a cost estimate for S. 1079, an identical bill that was ordered reported by the Senate Committee on Indian Affairs on October 23, 1997. The CBO estimate for S. 2069 is identical to the estimate provided for S. 1079.

The CBO staff contacts are Kathleen Gramp (for federal costs), and Marjorie Miller (for the impact on state, local, and tribal governments). This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.