



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 4, 1998

H.R. 2508

A bill to provide for the conveyance of federal land in San Joaquin County, California, to the city of Tracy, California

As ordered reported by the House Committee on Government Reform and Oversight on July 23, 1998

H.R. 2508 would require the Attorney General to convey approximately 200 acres of land located in San Joaquin County, California, to the city of Tracy. CBO estimates that this conveyance would result in additional offsetting receipts to the federal government of about \$500,000 in fiscal year 1999. The transfer of this land might preclude a future sale of the land, or might necessitate the future purchase of other land for construction of a prison by the Bureau of Prisons (BOP), but neither appears likely in the next several years.

H.R. 2508 would require that the city use 150 of the acres as a location for a joint secondary and postsecondary educational facility or, if the city determines such use to be unfeasible, use 100 acres for a park and 50 acres for a secondary school. The remaining 50 acres would be conveyed to the city for economic development. The bill would require that the city pay fair market value for the 50 acres set aside for economic development.

BOP currently controls the 200 acres and reports that it has no plans for declaring the property as being excess to its needs. Because BOP is not required to declare the property as excess and does not pay any rent on it, CBO expects that the land would not be sold under current law through at least fiscal year 2003. Thus, conveying 150 of the 200 acres at no cost would not affect offsetting receipts from the sale of surplus property for at least the next five years, and possibly much longer. Based on information provided by the city and by the General Services Administration, CBO estimates that selling the remaining 50 acres to the city at fair market value would increase offsetting receipts in fiscal year 1999 by about \$500,000. Because the bill would affect direct spending, pay-as-you-go procedures would apply.

In addition to its effect on direct spending, H.R. 2508 could affect BOP's discretionary spending. The agency would like to construct a prison facility on the site. If, rather than constructing such a facility at the Tracy site, BOP were forced to purchase land elsewhere,

the bill could result in increased costs sometime over the next several years. Any such spending would be subject to appropriation action and would represent an increase, relative to current law, only if BOP would otherwise be able to use the Tracy land either to build a facility or to trade with another federal agency for suitable land elsewhere. BOP has not been able to use the land, and has no offers to exchange it for other federal land. Consequently, there is no clear basis for projecting the bill's impact on future discretionary spending by BOP.

H.R. 2508 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 is John R. Righter. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.