



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 9, 2010

**H.R. 3509
Agricultural Credit Act of 2009**

As ordered reported by the House Committee on Agriculture on March 3, 2010

SUMMARY

H.R. 3509 would authorize the appropriation of funds for fiscal years 2011 through 2015 for a matching grant program to help mediate credit disputes between agricultural producers and their creditors. Under current law, the grants fund state agricultural programs that help agricultural producers, their creditors, and various agencies of the Department of Agriculture resolve loan problems and related disputes. CBO estimates that implementing H.R. 3509 would cost \$37 million over the 2011-2015 period, assuming appropriation of the authorized amounts. Enacting H.R. 3509 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 3509 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. State governments could benefit from grant funds authorized by the bill. Any costs to state, local, and tribal governments would be incurred voluntarily as conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3509 is shown in the following table. The costs of this legislation fall within budget function 350 (agriculture).

	By Fiscal Year, in Millions of Dollars					2011- 2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	8	8	8	8	8	38
Estimated Outlays	7	8	8	8	8	37

Note: Components do not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted during fiscal year 2010, that the authorized amount—\$7.5 million—will be appropriated for each of fiscal years 2011 through 2015, and that spending will follow historical patterns for the authorized activities.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3509 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. State governments could benefit from grant funds authorized by the bill. Any costs to state, local, and tribal governments would be incurred voluntarily as conditions of federal assistance.

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