

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 13, 2016

S. 1479

Brownfields Utilization, Investment, and Local Development Act of 2015

As ordered reported by the Senate Committee on Environment and Public Works on May 18, 2016

S. 1479 would authorize the appropriation of \$250 million annually in 2017 and 2018 for the Environmental Protection Agency (EPA) to provide grants to clean up brownfields and support state brownfield programs. (Brownfields are properties where the presence, or potential presence, of a hazardous substance complicates the expansion or redevelopment of the property.) Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1479 would cost \$500 million over the 2017-2021 period.

Pay-as-you-go procedures do not apply to this legislation because enacting the bill would not affect direct spending or revenues. CBO estimates that enacting S. 1479 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 1479 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.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1479 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

		By Fiscal Year, in Millions of Dollars					
		2017	2018	2019	2020	2021	2017- 2021
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Authorization Level Estimated Outlays		250 13	250 212	0 230	0 37	0 8	500 500

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1479 will be enacted near the end of fiscal year 2016, that the specified amounts will be appropriated in each year starting in 2017, and that outlays will follow historical spending patterns for the brownfields program.

S. 1479 would authorize the appropriation of \$250 million annually over the 2017-2018 period to EPA for activities to restore brownfields. The authorization for this program expired in 2006, but it has continued to receive appropriations each year; \$152 million was appropriated for the program in 2016.

The bill would increase the limit for cleanup grants and expand eligibility for grants to certain publicly owned sites and nonprofit organizations. In addition, S. 1479 would allow grant recipients to use up to 8 percent of the grant to cover administrative costs.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DEFICIT AND DIRECT SPENDING

CBO estimates that enacting S. 1479 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1479 contains no intergovernmental or private-sector mandates as defined in UMRA and would benefit state, local, and tribal governments by authorizing federal grants to support brownfield cleanup activities and programs. Any costs those governments might incur, including matching contributions, would result from participating in a voluntary federal program.

ESTIMATE PREPARED BY:

Federal Costs: Jon Sperl

Impact on State, Local, and Tribal Governments: Jon Sperl

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

H. Samuel Papenfuss Deputy Assistant Director for Budget Analysis