



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 10, 2009

H.R. 1018 **Restore Our American Mustangs Act**

*As ordered reported by the House Committee on Natural Resources
on April 29, 2009*

SUMMARY

H.R. 1018 would amend the Wild Free-Roaming Horses and Burros Act, which governs the protection of wild herds of horses and burros in the western United States. The bill would require that the acreage available to such animals never be less than the area they occupied in 1971. It also would prohibit keeping wild animals in holding facilities for longer than six months. Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 1018 would cost about \$200 million over the 2010-2014 period. Enacting the bill would not affect revenues or direct spending.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1018 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					2010- 2014
	2010	2011	2012	2013	2014	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	6	13	15	136	140	310
Estimated Outlays	5	9	12	70	104	200

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1018 will be enacted during fiscal year 2009 and that the amounts estimated to be necessary will be appropriated for each of fiscal years 2010 through 2014. Estimated outlays are based on spending patterns for similar programs.

CBO estimates that implementing H.R. 1018 would increase discretionary costs of the Bureau of Land Management (BLM), which has primary responsibility for managing herds of wild horses and burros, by about \$200 million over the 2010-2014 period. Additional funds would be needed after 2014 to continue acquiring and restoring range land for those animals.

Based on information from federal agencies, CBO estimates that additional funding would be needed by BLM to comply with provisions in the bill that require the agency to manage herds on about 20 million more acres of public land and to restrict the practice of holding animals in corrals in the Midwest. Those provisions would both increase the area that wild herds occupy (from about 33 million acres to 53 million acres) and raise the number of animals kept in the wild (currently around 36,000 animals). The estimated costs of complying with those provisions include:

- \$1 million annually (through 2012) to amend federal land use plans to accommodate additional herds and manage them in conjunction with grazing, protection of endangered species, and other agency missions;
- Between \$5 million and \$13 million annually to manage the herds, including the costs of gathering, treating, and moving animals from existing herds to new federal lands as they breed ;
- About \$5 million annually (beginning in 2011) to restore damaged rangelands; and

- About \$140 million a year (beginning in 2013) to purchase new land to increase the range of herds to the level they occupied in 1971 and to accommodate additional animals that are gathered and moved to avoid over-grazing. For this estimate, CBO assumes that BLM would be able to increase the acreage on which it manages herds by moving some animals to lands managed by other federal agencies. We expect that the agency would also have to purchase significant new acreage, assuming other suitable properties are available. The costs of acquiring additional acreage (primarily after 2013) could be as high as \$500 million. We assume that BLM would acquire acreage for the herds rather than free up federal lands currently used for cattle grazing (as authorized by the bill) because very few holders of grazing permits would voluntarily cash in their allotments.

The above costs are net of reductions in the existing program that would result from eliminating the use of Midwest facilities to hold horses and burros for more than six months. The cost of holding currently accounts for well over half of the BLM budget for this program and will, under current law, consume an increasing portion of the agency's budget as wild horses continue to reproduce.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1018 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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