



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 14, 2010

H.R. 714

An act to authorize the Secretary of the Interior to lease certain lands in Virgin Islands National Park

*As ordered reported by the Senate Committee on Energy and Natural Resources
on December 16, 2009*

H.R. 714 would authorize the National Park Service (NPS) to execute a lease with property owners at Caneel Bay on St. John in the Virgin Islands. Based on information provided by the NPS, CBO estimates that implementing the legislation would have no effect on discretionary spending. Enacting the legislation would increase both offsetting receipts (from lease payments) and direct spending of those receipts beginning in fiscal year 2010, but CBO estimates that any net effect on the federal budget would be negligible. Enacting H.R. 714 would not affect revenues.

The legislation 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.

Under the lease authorized by H.R. 714, the owners of the Caneel Bay Resort would continue to operate the facility, which is located within the boundary of the Virgin Islands National Park, for up to 40 years. The resort is currently operated under a retained use estate (RUE) that will expire at the end of fiscal year 2023. The RUE was granted by the original owners of the resort when they donated the land under that facility to the NPS in 1983. The original RUE agreement did not provide for any lease payments to the federal government; the lease authorized by H.R. 714 would both require such payments and authorize the NPS to use the proceeds without further appropriation for visitor services and other park expenses.

The CBO staff contact for this estimate is Deborah Reis. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.