

**S. 1088, North Dakota Trust Lands Completion Act of 2023**

As reported by the Senate Committee on Energy and Natural Resources on December 12, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

S. 1088 would authorize a land exchange between North Dakota and the Bureau of Land Management (BLM) if the state relinquishes to the Department of the Interior (DOI) land that is at least partially within the boundaries of any Indian reservation. Under the bill, land exchanged would need to be of substantially equal value and if the parcels of land are not equal in value, the party conveying the parcel of lesser value could make up the difference through a transfer of funds to the other party. DOI would have 180 days to approve or reject any proposed transaction. Once a transfer is approved, the department would place the relinquished land into trust for the tribe, and that land would become part of the tribe’s reservation.

About 37,000 surface acres and 186,000 mineral acres of state land would meet the requirements under the bill and be eligible for exchange. A mineral acre is the right to all mineral deposits in an acre of land. BLM now manages about 58,000 surface acres in North Dakota. Most of the federal oil and gas mineral rights in the state are leased, and thus are encumbered by valid existing rights.

On net, CBO expects that enacting S. 1088 would have an insignificant effect on net direct spending over the 2024-2034 period.



Receipts generated from mineral sales on federal land are recorded in the federal budget as offsetting receipts—that is, as reductions in direct spending. Under current law, those receipts are spent without further appropriation, which results in an offsetting increase in direct spending of a similar magnitude as the receipts. CBO cannot determine which parcels of land would be selected for exchange under the bill and, as a result, if those parcels would include mineral rights. Using information from BLM and North Dakota, along with information about similar land transfers, CBO estimates that, under the bill, any loss of federal gas or mineral rights from the relinquished land would increase net direct spending by a negligible amount.

If the federal parcels to be exchanged are more valuable than the state parcels, any cash equalization payment to the federal government also would be classified as an offsetting receipt. Those funds would not be available to spend without future appropriation.

If the federal parcel to be exchanged is less valuable than the state parcel, any cash equalization payment from the federal government to the state would come from future appropriations. Additionally, based on the costs of similar activities, CBO estimates that DOI's administrative costs to implement S. 1088 would be insignificant. In total, CBO estimates that implementing the bill would cost less than \$500,000 over the 2024-2029 period. Any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Julia Aman. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink that reads "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping underline.

Phillip L. Swagel  
Director, Congressional Budget Office