



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 13, 2006

### **S. 3526**

#### **Indian Land Consolidation Act Amendments of 2006**

*As ordered reported by the Senate Committee on Indian Affairs on June 22, 2006*

S. 3526 would make technical and clarifying amendments to the Indian Land Consolidation Act (ILCA). The legislation would clarify that permanent improvements to land are covered by the provisions of the ILCA. It would delay implementation of certain intestate inheritance provisions of the probate code until July 20, 2007. Based on information from the Office of Special Trustee for American Indians, CBO estimates that implementing S. 3526 would have no significant impact on the federal budget.

S. 3526 contains one intergovernmental and two private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA), but CBO expects the aggregate cost of those mandates would be small and would fall well below the annual thresholds established in UMRA (\$64 million for intergovernmental entities and \$128 million for the private sector in 2006, adjusted annually for inflation).

The bill would impose an intergovernmental and private-sector mandate on certain Indian tribes and individuals because it would limit the right they now enjoy to bid without the consent of the heirs on small fractional property interests at probate. CBO expects that any costs imposed by this mandate on tribal governments or the private sector would not be significant. The bill would impose no other costs on state, local, or tribal governments.

The bill also would impose a private-sector mandate on certain individuals who would otherwise inherit small fractional interests in land under the "single heir rule." Under current law, if an Indian owning a small fractional interest in certain types of land dies without a will, only one individual is eligible to inherit that interest based on the single heir rule. S. 3526 would suspend implementation of the single heir rule through July 20, 2007, which would allow a larger set of heirs to be eligible to receive an equal share of the property interest. CBO expects the suspension would result in a loss of a portion of inheritance for a limited number of individuals in the near term and would impose a small cost on those individuals in such cases. Consequently, the cost of the mandate would be very small relative to the annual threshold established by UMRA for private-sector mandates.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs), Marjorie Miller (for the impact on state, local, and tribal governments), and Amy Petz (for the impact on the private sector). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.