

AUTHORIZING EARLY REPAYMENT OF OBLIGATIONS TO THE BUREAU OF
RECLAMATION WITHIN THE NORTHPORT IRRIGATION DISTRICT IN THE
STATE OF NEBRASKA

MAY 22, 2018.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. BISHOP of Utah, from the Committee on Natural Resources,
submitted the following

R E P O R T

[To accompany H.R. 4689]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 4689) to authorize early repayment of obligations to the Bureau of Reclamation within the Northport Irrigation District in the State of Nebraska, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 4689 is to authorize early repayment of obligations to the Bureau of Reclamation within the Northport Irrigation District in the State of Nebraska.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 4689 gives individual landowners within the Northport Irrigation District the ability to make accelerated or lump sum capital repayments to the federal government. In exchange for paying their part of Northport's debt, the landowners who pay will no longer be subject to federal acreage limitations and paperwork requirements.

Under federal law, any irrigation district that receives contracted water from a Bureau of Reclamation facility must repay its allocated portion of the capital costs of the federal water project. These repayment costs are typically set forth in long-term capital repayment contracts between the irrigation district and the federal government.

Northport, located in western Nebraska, is one of four irrigation districts that receive water from the federal North Platte Project.

Water for Northport is conveyed 80 miles from the Guernsey Reservoir through the Tri-State Canal, which is privately owned and operated by the Farmers Irrigation District.¹ In return for allowing the water to be conveyed through the Tri-State Canal, Farmers receive compensation from Northport. Pursuant to a 1958 amendment to the Northport/Bureau of Reclamation contract, if the amount of the carriage fee owed to Farmers by Northport is more than \$8,000 per year, Northport is not obligated to make its annual capital repayment to the federal government.² According to a Northport official, the annual carriage fee can be anywhere from \$80,000 to \$100,000.³ Since carriage fees have been over \$8,000 per year since the early 1950s, Northport's capital repayment debt to the federal government has remained at approximately \$923,000 for over six decades.⁴ As long as Northport owes the debt, its landowners are subject to the 960 irrigated acre planting limitation and paperwork requirements that must be met prior to getting water each year, as set forth in the Reclamation Reform Act of 1982 (Title II of Public Law 97–293).

There are several landowners within Northport who have reached retirement age with plans to leave the real estate to family members who have already accumulated acres within the District. Those combined acres will make additional families subject to the 960-irrigated-acre planting limitation. Several landowners within Northport are willing to repay their portion of the capital repayment obligations owed to the federal government to avoid being subject to the federal requirements in Public Law 97–293. The same law, however, prohibits these landowners from making such accelerated or lump sum payments. According to a Northport Irrigation District Board member, approximately 20 of the 65 landowners may use the authorities granted in H.R. 4689 to repay the federal government.⁵

While the Water Infrastructure Improvements for the Nation Act (Public Law 114–322) provided prepayment authority to irrigation districts, this authority did not extend to individual landowners. Allowing individual landowners the ability to do this is based on two precedents enacted during Democratic and Republican Congresses: Section 508 of Public Law 110–229⁶ and “The Southern Oregon Bureau of Reclamation Repayment Act of 2005” (Public Law 109–138),⁷ respectively. These public laws and H.R. 4689 waive section 213 of the Reclamation Reform Act of 1982, which prohibits any early repayment unless the repayment contract between an irrigation district and the United States allowed for prepayment of the contract at the time the Reclamation Reform Act was enacted.

The House of Representatives passed identical bills in the 114th and 113th Congresses, but the Senate took no action.⁸

¹ <https://www.usbr.gov/projects/index.php?id=363>

² <https://naturalresources.house.gov/uploadedfiles/wpletter1.pdf>

³ Natural Resources Republican staff conversation with Northport Irrigation District Board Member George Hall on June 3, 2014.

⁴ <https://naturalresources.house.gov/uploadedfiles/wpletter1.pdf>

⁵ Id.

⁶ <http://www.gpo.gov/fdsys/pkg/PLAW-110publ229/html/PLAW-110publ229.htm>

⁷ <http://www.gpo.gov/fdsys/pkg/PLAW-109publ138/html/PLAW-109publ138.htm>

⁸ H.R. 404 (114th Congress) and H.R. 4562 (113th Congress).

COMMITTEE ACTION

H.R. 4689 was introduced on December 19, 2017, by Congressman Adrian Smith (R-NE). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Water, Powers and Oceans. On May 8, 2018, the Natural Resources Committee met to consider the bill. The Subcommittee was discharged by unanimous consent. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of Rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation and the Congressional Budget Act of 1974. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the enclosed cost estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 22, 2018.

Hon. ROB BISHOP
*Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4689, a bill to authorize early repayment of obligations to the Bureau of Reclamation within the Northport Irrigation District in the State of Nebraska.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Aurora Swanson.

Sincerely,

MARK P. HADLEY
(For Keith Hall, Director).

Enclosure.

H.R. 4689—A bill to authorize early repayment of obligations to the Bureau of Reclamation within the Northport Irrigation District in the State of Nebraska

H.R. 4689 would allow individual landowners in the Northport Irrigation District in Nebraska to repay their share of the cost of building the North Platte Project. Currently, the Northport Irrigation District is not making payments to the Bureau of Reclamation (BOR) on its outstanding debt of \$924,000 for the construction of the irrigation project. The district makes a required annual payment of \$3,500 for the cost of conveying water to the district but does not currently make payments to pay-off that debt. Using information from the bureau, CBO does not expect the district to begin repaying this debt during the next several years.

Although current law permits the district to repay its share of construction costs early, the district has not done so, probably because some landowners have not agreed to an early repayment schedule. Under H.R. 4689, individual landowners would have limits on acreage that can be irrigated with BOR-delivered water waived if they make early repayments to retire their debt obligations to the federal government.

Using information from BOR, CBO expects that about half of the affected landowners would repay their debt obligations under the bill. CBO estimates that those payments would increase offsetting receipts to the federal government, which are treated as reductions in direct spending, by less than \$500,000 over the 2019–2028 period.

Because enacting H.R. 4689 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 4689 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 4689 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to authorize early repayment of obligations to the Bureau of Reclamation within the Northport Irrigation District in the State of Nebraska.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes to existing law.

