



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 2, 2010

**S. 1672
National Oilheat Research Alliance Reauthorization Act of 2009**

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

S. 1672 would extend, through February 6, 2011, the authority of the National Oilheat Research Alliance (NORA) to collect assessments from members of the oilheat industry to support research and development and other activities related to that industry. NORA was established in 2001 pursuant to Public Law 106-469, which authorized the oilheat industry to establish the research organization and to levy assessments on retail marketers and wholesale distributors of certain fuels to support its activities. Funds collected through assessments are available to fund NORA's programs without further appropriation by the Congress. Under current law, NORA's authority to collect assessments expired on February 6, 2010.

Since 2001, the Administration has not recorded the revenues and spending associated with NORA in the federal budget. Consistent with current budgetary treatment, extending NORA's authority to collect and spend assessments for one additional year would have no impact on the federal budget.

CBO believes, however, that NORA's activities should be considered governmental in nature because continued assessments under S. 1672 would be compulsory and enforced by the federal government's sovereign authority. Consistent with the budgetary treatment for similar entities, CBO believes that all of NORA's revenues and expenses (about \$6 million a year) should be included in the federal budget.

S. 1672 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. S. 1672 would impose a private-sector mandate, as defined in UMRA, on members of the oilheat industry by extending the authority of NORA to collect assessments from retail marketers and wholesale distributors of certain fuels. CBO estimates that the assessments

would total \$12 million over the one-year period authorized by the bill. Consequently, the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$141 million in 2010, adjusted annually for inflation).

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