



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 9, 2010

H.R. 4888 **Cabin Fee Act of 2010**

*As ordered reported by the House Committee on Natural Resources
on July 22, 2010*

SUMMARY

H.R. 4888 would establish a new schedule for the fees paid to the federal government by individuals who own cabins on certain Forest Service lands. The bill also would authorize the Forest Service to assess a transfer fee when affected cabins are sold. Finally, the bill would allow the agency to retain and spend, without further appropriation, amounts collected from such fees to cover certain administrative costs.

Based on information from the Forest Service, CBO estimates that implementing the legislation would increase direct spending by \$145 million over the 2011-2020 period; therefore, pay-as-you-go procedures apply. CBO also estimates that implementing the legislation would reduce discretionary spending by about \$70 million over that period, assuming appropriation actions consistent with the bill's allowed use of fees to cover administrative costs. Enacting the legislation would not affect revenues.

H.R. 4888 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4888 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars											2011-	2011-	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020		
CHANGES IN DIRECT SPENDING														
Estimated Budget Authority	7	7	12	13	15	17	18	18	19	19	54	145		
Estimated Outlays	7	7	12	13	15	17	18	18	19	19	54	145		
CHANGES IN SPENDING SUBJECT TO APPROPRIATION														
Estimated Authorization Level	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-35	-70		
Estimated Outlays	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-35	-70		

Note: Amounts may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2010.

CBO estimates that implementing H.R. 4888 would increase net direct spending by \$145 million over the 2011-2020 period. Fees collected from cabin owners by the Forest Service would be about \$75 million less than would be collected under current law (such losses are shown as an increase in direct spending). In addition, the agency would be allowed to spend some of the fees collected on administrative expenses, thus increasing direct spending by an additional \$70 million over the next 10 years. CBO also estimates that implementing the legislation could reduce discretionary spending by \$70 million because the Forest Service would no longer use appropriated funds to cover such administrative costs.

Direct Spending

Section 3 would establish a new schedule for fees assessed on cabins that occupy certain Forest Service lands (specifically, those lands not acquired by the federal government from private landowners). Under current law, cabin owners pay an annual fee to the government equal to 5 percent of the appraised value of the occupied Forest Service land. In 2010, fees for roughly 12,500 affected cabins ranged from \$30 to \$11,100 per cabin. Based on information from the agency, CBO estimates that fee collections from those cabins will total about \$21 million in 2011 and that fee collections will increase to \$36 million a year by 2020 as new appraisals of the value of Forest Service land, which are expected to significantly increase fees on about 40 percent of the cabins, are completed.

Under the bill, cabin owners would pay specified annual fees ranging from \$500 to \$4,000 per cabin, depending on the appraised value of the occupied land. Those fees would go into

effect after the Forest Service completes its current appraisal cycle, which CBO expects would occur in 2012; therefore, fees under the bill would be the same as those under current law over the 2011-2012 period. CBO estimates that fee collections under the bill from the affected cabins would total about \$21 million in 2013 and would reach \$24 million a year by 2020. Because fee collections from those cabins would be lower under the bill than the fees expected to be paid under current law, CBO estimates that enacting this provision would reduce offsetting receipts (that is, increase direct spending) by about \$80 million over the 2013-2020 period.

Section 4 would require the Forest Service to collect a new transfer fee from cabin owners who sell their cabins. The amount of the fee would be based on the sales price. CBO estimates that implementing this provision would increase offsetting receipts (a credit against direct spending) by about \$5 million over the 2011-2020 period, based on information from the Forest Service regarding the number of cabins sold annually.

Section 5 would authorize the Forest Service to retain and spend, without further appropriation, amounts collected from cabin fees to cover the cost of administering its cabin program. Based on information from the agency regarding the historical costs of administering the cabin-fee program, CBO estimates that enacting this provision would increase direct spending by about \$70 million over the 2011-2020 period.

Spending Subject to Appropriation

H.R. 4888 would authorize the Forest Service to retain and spend, without further appropriation, amounts collected from cabin fees to cover certain administrative costs. Under current law, the Forest Service spends about \$7 million annually from discretionary appropriations to carry out those activities. If appropriations were reduced by a similar amount in future years, CBO estimates that implementing the legislation would reduce discretionary spending by about \$70 million over the 2011-2020 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 4888 as ordered reported by the House Committee on Natural Resources on date July 22, 2010

	By Fiscal Year, in Millions of Dollars												2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020	
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	7	7	12	13	15	17	18	18	19	19	54	145	

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4888 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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