



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 2, 2014

### **S. 1865** **Migratory Bird Habitat Investment and Enhancement Act**

*As ordered reported by the Senate Committee on Environment and Public Works  
on February 6, 2014*

#### **SUMMARY**

S. 1865 would allow the Department of the Interior (DOI) to raise the price charged for Federal Migratory Bird Hunting and Conservation Stamps (referred to as federal duck stamps), subject to annual caps on the amount. Federal duck stamps are annual permits to hunt migratory waterfowl that are sold by the federal government. The stamps also allow entry to National Wildlife Refuges that charge entrance fees. Sales proceeds are used to acquire wetlands for inclusion in the National Wildlife Refuge System.

CBO estimates that enacting S. 1865 would reduce the deficit by \$9 million over the 2015-2024 period. Collections from the sale of duck stamps are recorded in the budget as revenues, deposited in the Migratory Bird Conservation Fund (MBCF), and later spent. Because the bill would affect direct spending and revenues, pay-as-you-go procedures apply. In addition, we estimate that implementing the bill would have no significant effect on discretionary spending.

S. 1865 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

By increasing the annual fee for duck stamps, S. 1865 would impose a private-sector mandate, as defined in UMRA, on individuals required to obtain the stamp as a federal permit to hunt migratory waterfowl. Based on information from gaming officials, CBO estimates that the incremental cost of complying with the mandate would fall well below the annual threshold for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of S. 1865 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											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-2019	2015-2024
<b>CHANGES IN REVENUES</b>												
Estimated Revenues	*	13	13	13	13	21	21	21	22	22	52	159
<b>CHANGES IN DIRECT SPENDING</b>												
Estimated Budget Authority	*	13	13	13	13	21	21	21	22	22	52	159
Estimated Outlays	*	8	12	13	13	18	21	21	22	22	47	150
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES</b>												
Impact on the Deficit	*	-5	-1	0	0	-3	0	0	0	0	-5	-9

Note: \* = less than \$500,000.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1865 will be enacted near the end of 2014 and that DOI will begin charging higher fees authorized under the bill at the start of the 2015 hunting season (July 2015). Estimated outlays are based on the program's historical spending pattern.

### Revenues

S. 1865 would allow DOI to increase the price of federal duck stamps, which currently sell for \$15 (for an annual permit). Over the first five-year period starting in 2014, the price would be allowed to rise to \$25. In subsequent years, the bill would authorize DOI to increase the price up to \$30. CBO assumes that the price would be set at the maximum authorized amount in each year. Based on information provided by DOI, CBO estimates that federal revenues would increase by between \$13 million to \$22 million annually, amounting to a total increase of \$159 million over the 2015-2024 period. CBO's estimate reflects the fact that increasing the price of duck stamps has usually resulted in a temporary reduction in the number of stamps sold.

### Direct Spending

As under existing law, additional collections from the sale of duck stamps under the bill would be deposited in the MBCF and would be available without further appropriation for waterfowl conservation projects. In recent years, revenues from duck stamps have provided about \$22 million annually for such projects, which usually focus on acquiring habitat. CBO estimates that enacting the legislation would increase spending from the MBCF by about \$150 million over the 2015-2024 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 and revenues 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 S. 1865, the Migratory Bird Habitat Investment and Enhancement Act, as ordered reported by the Senate Committee on Environment and Public Works February 6, 2014

	By Fiscal Year, in Millions of Dollars												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2019	2014-2024
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	0	-5	-1	0	0	-3	0	0	0	0	-5	-9
<b>Memorandum:</b>													
Changes in Outlays	0	0	8	12	13	13	18	21	21	22	22	47	150
Changes in Revenues	0	0	13	13	13	13	21	21	21	22	22	52	159

## ESTIMATED EFFECT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1865 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

## ESTIMATED EFFECT ON THE PRIVATE SECTOR

By increasing the annual fee for duck stamps, which serve as a federal permit that individuals are required to obtain to hunt migratory waterfowl, S. 1865 would impose a private-sector mandate, as defined in UMRA. Based on information from gaming officials regarding the number of migratory bird hunters, CBO estimates that the fee increase would total between \$13 million to \$22 million annually over the 2016-2024 period. (Some purchases of duck stamps are made voluntarily by conservationists and those purchases would not be considered a mandate under UMRA.) As a result, CBO estimates that the incremental cost of complying with the mandate would fall well below the annual threshold for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

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