



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2004

H.R. 3283

Federal Lands Recreational Enhancement Act

As ordered reported by the House Committee on Resources on September 22, 2004

SUMMARY

CBO estimates that enacting H.R. 3283 would increase direct spending by about \$700 million over the 2006-2014 period. The bill would establish a new recreation fee program for the U.S. Forest Service and for land management agencies of the Department of the Interior. It would authorize the National Park Service (NPS) to establish, charge, and modify admission fees at units of the National Park System. The bill also would authorize other agencies—such as the Forest Service, the Bureau of Land Management (BLM), and the U.S. Fish and Wildlife Service (USFWS) to establish similar charges called standard amenity fees at certain sites under their jurisdictions. For all agencies, the use of specialized facilities or services (such as developed campgrounds or boat launches) would be covered by expanded amenity fees. In addition, the bill would authorize interagency annual passes, which would replace current passes such as Golden Eagles and National Park Passports. Finally, H.R. 3283 would authorize all of the above agencies to retain and spend all offsetting receipts collected under the new fee program without further appropriation.

CBO estimates that NPS and other federal agencies would collect a total of \$2.1 billion over the 2006-2014 period under H.R. 3283, or about \$800 million more than we expect those agencies to collect under existing recreation fee authorities. We estimate that the agencies would spend about the same amount (i.e., around \$2.1 billion) over that period, or about \$1.5 billion more than they would be allowed to spend under existing law. (Under such law, beginning in January 2006, agencies generally may spend a much smaller percentage of fee collections than under H.R. 3283.) Thus, the net budgetary impact of enacting this legislation would be an increase in direct spending of about \$700 million over the 2006-2014 period.

This legislation 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 net budgetary impact of H.R. 3283 is summarized 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 | | | | | | | | | |
|-----------------------------------|--|------|------|------|------|------|------|------|------|------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| CHANGES IN DIRECT SPENDING | | | | | | | | | | |
| Recreation Fee Program | | | | | | | | | | |
| Change in Offsetting Receipts | | | | | | | | | | |
| Estimated Budget Authority | 0 | -66 | -85 | -87 | -88 | -90 | -92 | -94 | -96 | -98 |
| Estimated Outlays | 0 | -66 | -85 | -87 | -88 | -90 | -92 | -94 | -96 | -98 |
| Change in Spending | | | | | | | | | | |
| Estimated Budget Authority | 0 | 140 | 176 | 181 | 182 | 186 | 190 | 194 | 198 | 202 |
| Estimated Outlays | 0 | 55 | 123 | 162 | 178 | 184 | 188 | 191 | 195 | 198 |
| Net Change in Direct Spending | | | | | | | | | | |
| Estimated Budget Authority | 0 | 74 | 91 | 94 | 94 | 96 | 98 | 100 | 102 | 104 |
| Estimated Outlays | 0 | -11 | 38 | 75 | 90 | 94 | 96 | 97 | 99 | 100 |

BASIS OF ESTIMATE

For this estimate, CBO assumes that the recreation fee program established by H.R. 3283 will be implemented during fiscal year 2005 and that the fees adopted by the affected agencies will sum to about the same level of offsetting receipts currently collected under the recreation fee demonstration program. This estimate is based on information provided by NPS (which collects and spends the vast majority of recreation fees), the Forest Service, the USFWS, the Bureau of Reclamation, and BLM.

Recreation Fees and Spending Under Current Law

Historically, the collection and spending of recreation fees by most federal agencies has been governed by the Land and Water Conservation Fund Act. That act authorizes these agencies to collect fees for use of, and in some cases entrance to, federal lands that have significant recreational resources, subject to rate caps and other limitations. It also allows most of the agencies to spend up to 15 percent of annual fee collections without further appropriation to offset the costs of collecting the fees. The remaining 85 percent of fee receipts are available only if subsequently appropriated.

In 1996, the Congress established a temporary recreation fee demonstration program authorizing the NPS and other federal land management agencies to charge higher fees at more sites than would otherwise be permitted under the LWCFA. Generally, under the demonstration program, the agencies may also spend without further appropriation 100 percent of all offsetting receipts collected at recreation sites. That spending authority applies for most agencies both to the additional receipts collected under the demonstration program and to the receipts that would have been collected under the more limited LWCFA fee authority. As a result, the demonstration program brings in an extra \$80 million a year but results in higher spending authority of about \$170 million a year.

Under current law, the demonstration program will expire at the end of calendar year 2005, and recreation receipts for most agencies will fall to their pre-1996 levels. Spending authority will also fall—to 85 percent of receipts (except for transportation fees, National Park Passports, USFWS entrance fees, all of which will continue to be available under other statutes such as the National Parks Omnibus Management Act of 1998). Thus, while total receipts from recreation fees are expected to decrease from about \$220 million to about \$140 million a year, direct spending authority will be reduced by much more—from about \$220 million to an estimated \$45 million.

Recreation Fees and Spending Under H.R. 3283

H.R. 3283 would effectively authorize the continuation of the fees and spending allowed by the recreation fee demonstration program through 2014. Thus, the bill would have two budgetary effects. First, allowing the agencies to maintain fees charged under the demonstration program would increase offsetting receipts by a total of \$800 million through 2014. Second, allowing all offsetting receipts from recreation fees to be spent without further appropriation would increase direct spending by \$1.5 billion over the same time period. The net impact on the federal budget would be an increase in direct spending of about \$700 million over the next nine years (after 2005).

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3283 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On March 22, 2004, CBO transmitted a cost estimate for S. 1107, the Recreation Fee Authority Act of 2004, as ordered reported by the Senate Committee on Energy and Natural Resources on February 11, 2004. S. 1107 and H.R. 3283 both authorize recreation fee programs, but the Senate bill only covers NPS fees while the House bill covers the Forest Service and all bureaus within the Department of the Interior.

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