CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 6, 2004

H.R. 4508

A bill to amend the National Parks and Recreation Act of 1978 to require the Secretary to permit continued use and occupancy of certain privately owned cabins in the Mineral King Valley in the Sequoia National Park

As ordered reported by the House Committee on Resources on July 14, 2004

H.R. 4508 would eliminate certain restrictions on the occupancy of about 65 cabins located in the Mineral King Valley addition of the Sequoia National Park. Specifically, the bill would remove existing limits on the right of use and occupancy granted to the owners (and their successors) of cabins purchased by the National Park Service (NPS) after the valley was added to the park in 1978. In addition, the bill would require the NPS to issue or renew certain special-use permits or leases on other cabins that were covered by various occupancy agreements at the time that the agency assumed jurisdiction of the valley from the Forest Service. CBO estimates that enacting these changes would have no significant impact on the federal budget.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandate Reform Act and would impose no costs on state, local, or tribal governments.

Under current law, the previous owners (and their successors) of cabins in the Mineral King Valley that were purchased by the NPS were granted a right of use and occupancy in exchange for a reduction in the price of their property. That right expires at the end of 25 years or with the death of the original owner or spouse.

In addition, current law allows persons who owned or leased cabins on land that was transferred to the park from the Forest Service to continue to occupy that property (unless such occupancy is incompatible with park purposes) until their deaths. Five-year renewable permits or leases for those cabins may only be issued to the original property-owner or lessee of record at the time the property was transferred to the NPS. The NPS currently charges less than $1,000 a year for such leases or permits (collecting a total of less than $100,000 annually) and spends about half of that amount on administrative expenses.

Few if any occupancy agreements are still in effect on cabins purchased by the NPS in 1978, and extending those agreements would have no budgetary impact because such occupants do not pay any fees for the use of these cabins.

For those cabins originally occupied under agreements with the Forest Service, the NPS has generally stopped issuing five-year renewals if the original lessees or permit-holders have died. (The agency has been issuing annual permits in some cases.) Once an agreement has expired on a cabin, the structure may be left standing (and unoccupied), be demolished, or be restored and leased out at fair market value. Proceeds from such fair-market-value leases are available to the agency to spend without appropriation action.

If H.R. 4508 is enacted, the NPS would have to allow the heirs or successors of the original permit-holders or lessees to occupy the Mineral King cabins in perpetuity. CBO estimates that this outcome would have no significant impact on the federal budget. For cabins that would be demolished or left empty in the absence of legislation, we estimate that enacting the bill would increase net receipts by less than $50,000 a year. For cabins that might otherwise be refurbished and leased at market value, renewing the existing agreements could keep the NPS from executing more lucrative agreements. Any amounts that could have been collected from such rental agreements, however, would have been spent without appropriation action.

The CBO staff contact for this estimate is Deborah Reis. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.