



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 7, 2012

H.R. 3397 **Cabin Fee Act of 2011**

*As ordered reported by the House Committee on Natural Resources
on November 17, 2011*

SUMMARY

H.R. 3397 would establish a new schedule for the fees paid to the federal government by individuals who own cabins located on Forest Service lands. The bill also would establish a transfer fee that would be assessed on owners who sell their cabins. Based on information provided by the Forest Service, CBO estimates that implementing the legislation would result in a net reduction in offsetting receipts (a credit against direct spending) totaling \$25 million over the 2013-2022 period; therefore, pay-as-you-go procedures apply. Enacting H.R. 3397 would not affect revenues.

H.R. 3397 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. 3397 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2012.

	By Fiscal Year, in Millions of Dollars											2012-	2012-
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022
CHANGES IN DIRECT SPENDING													
Cabin Fees													
Estimated Budget Authority	0	3	-2	*	1	3	5	5	5	5	5	5	30
Estimated Outlays	0	3	-2	*	1	3	5	5	5	5	5	5	30
Transfer Fees													
Estimated Budget Authority	0	*	*	*	*	*	-1	-1	-1	-1	-1	-2	-5
Estimated Outlays	0	*	*	*	*	*	-1	-1	-1	-1	-1	-2	-5
Total Changes													
Estimated Budget Authority	0	2	-2	*	1	2	4	4	4	5	5	3	25
Estimated Outlays	0	2	-2	*	1	2	4	4	4	5	5	3	25

Note: Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

CBO estimates that enacting H.R. 3397 would increase net direct spending by \$25 million over the 2013-2022 period. Over that period, fees collected from cabin owners by the Forest Service would total about \$30 million less than would be collected under current law (such losses are shown as an increase in direct spending). In addition, the collection of newly established fees assessed on cabin owners who sell their cabins would increase receipts (thus reducing direct spending) by about \$5 million over that period.

Cabin Fees

Section 3 would establish a new schedule for fees assessed on cabins located on Forest Service lands. Under current law, owners of the roughly 14,000 affected cabins pay an annual fee to the federal government equal to 5 percent of the appraised value of the occupied land. Based on information provided by the agency, CBO estimates that fee collections from those cabins will total roughly \$20 million in 2012 and that those collections will increase to \$38 million by 2022. Collections will increase over that period as the agency completes appraisals of the affected Forest Service lands, implements new fees based on those appraisals, and annually adjusts fees on all cabins to account for inflation.

Under the bill, cabin owners would pay specified annual fees ranging from \$500 to \$4,500 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 will occur in 2013. Once implemented, CBO estimates that new cabin fee collections would total about \$29 million in 2014 and would reach \$33 million by 2022.

Because H.R. 3397 would cap annual cabin fees at \$4,500 and prevent scheduled fee increases from being implemented as they would be under current law, CBO estimates that enacting the bill would, in general, lower annual receipts over the 2013-2022 period. Over the 2014-2015 period, CBO estimates that enacting H.R. 3397 would increase receipts because we expect that cabin fees would be increased more gradually under current law than under the bill over that period. On net, CBO estimates that enacting the new cabin fees required under H.R. 3397 would reduce offsetting receipts (an increase in direct spending) by about \$30 million over the 2013-2022 period.

Transfer Fees

Section 4 would require the Forest Service to collect a 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 2013-2022 period, based on information provided by the Forest Service regarding the number of new lease permits issued each year and the values of the affected cabins.

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. 3397 as ordered reported by the House Committee on Natural Resources on November 17, 2011

	By Fiscal Year, in Millions of Dollars												2012- 2017	2012- 2022
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
NET INCREASE OR DECREASE (-) IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	2	-2	0	1	2	4	4	4	5	5	3	25	

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3397 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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