



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 29, 2012

S. 2156 **Migratory Bird Habitat Investment and Enhancement Act**

*As ordered reported by the Senate Committee on Environment and Public Works
on July 25, 2012*

SUMMARY

S. 2156 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. 2156 would increase revenues by \$132 million over the 2013-2022 period. That increase would be offset by an equal amount of additional direct spending. Because the bill would affect direct spending and revenues, pay-as-you-go procedures apply. However, CBO estimates that the net impact on the federal budget over the 2013-2022 period would not be significant. In addition, we estimate that implementing the bill would have no significant effect on discretionary spending.

S. 2156 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 cost of duck stamps, S. 2156 would impose a private-sector mandate, as defined in UMRA, on purchasers of those stamps. 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 (\$146 million in 2012, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2156 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											2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2017	2022	
CHANGES IN REVENUES													
Estimated Revenues	5	11	12	12	12	15	16	16	16	16	51	132	
CHANGES IN DIRECT SPENDING													
Estimated Budget Authority	5	11	12	12	12	15	16	16	16	16	51	132	
Estimated Outlays	3	9	13	13	13	15	16	16	16	16	51	132	
NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES													
Impact on Deficit	-2	-2	1	1	1	0	0	0	0	0	0	0	

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2156 will be enacted late in 2012 and that DOI will begin charging higher fees authorized under the bill at the start of the 2013 hunting season (July 2013). Estimated outlays are based on the program’s historical spending pattern.

Revenues

S. 2156 would allow DOI to increase the price of federal duck stamps, which currently sell for \$15. Over the first five-year period after enactment, the price would be allowed to rise to \$25. In subsequent years, the price would be authorized to rise to \$30. CBO assumes that the price would be set at the cap in each period. Based on information provided by DOI, CBO estimates that federal revenues would increase by between \$11 million to \$16 million annually, for a total of \$132 million over the 2013-2022 period. CBO’s estimate reflects previous experience with stamp price increases, which usually result 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 Migratory Bird Conservation Fund (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 deposits into the MBCF by \$132 million over the 2013-2022 period, resulting in additional direct spending of that amount over the next 10 years.

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. 2156, the Migratory Bird Habitat Investment and Enhancement Act, as ordered reported by the Senate Committee on Environment and Public Works on July 25, 2012

	By Fiscal Year, in Millions of Dollars												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2017	2012-2022
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	-2	-2	1	1	1	0	0	0	0	0	0	0
Memorandum:													
Changes in Outlays	0	3	9	13	13	13	15	16	16	16	16	51	132
Changes in Revenues	0	5	11	12	12	12	15	16	16	16	16	51	132

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2156 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

By increasing the annual fee for duck stamps, which serve as a federal permit that individuals are required to obtain in order to hunt migratory waterfowl, S. 2156 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 for those hunters would amount to no more than \$12 million annually in the first five years the mandate is in effect. (Some purchases of duck stamps are made by collectors and conservationists and are considered to be voluntary 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 (\$146 million in 2012, adjusted annually for inflation).

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