



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 5, 2013

### **H.R. 1159** **Cabin Fee Act of 2013**

*As ordered reported by the House Committee on Natural Resources on March 20, 2013*

#### **SUMMARY**

H.R. 1159 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 enacting the legislation would result in an increase in net direct spending (owing to a net reduction in offsetting receipts) totaling \$8 million over the 2014-2023 period; therefore, pay-as-you-go procedures apply. Enacting H.R. 1159 would not affect revenues.

H.R. 1159 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. 1159 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											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
<b>CHANGES IN DIRECT SPENDING</b>												
<b>Cabin Fees</b>												
Estimated Budget Authority	4	-2	-1	1	2	2	2	2	2	2	3	12
Estimated Outlays	4	-2	-1	1	2	2	2	2	2	2	3	12
<b>Transfer Fees</b>												
Estimated Budget Authority	*	*	*	*	*	*	*	*	*	*	-2	-4
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	-2	-4
<b>Total Changes</b>												
Estimated Budget Authority	3	-3	-1	*	1	1	1	1	1	1	1	8
Estimated Outlays	3	-3	-1	*	1	1	1	1	1	1	1	8

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

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2013.

CBO estimates that enacting H.R. 1159 would increase net direct spending by \$8 million over the 2014-2023 period. Over that period, fees collected from cabin owners by the Forest Service would total \$12 million less than would be collected under current law (such losses are shown as an increase in direct spending). In addition, the collection of the proposed new fee in H.R. 1159 to be assessed on cabin owners who sell their cabins would increase receipts (thus reducing direct spending) by \$4 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 \$25 million in 2013 and that those collections will increase to nearly \$40 million by 2023. 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 \$5,000 per cabin, depending on the appraised value of the occupied land. Those fees would go into effect the year after the Forest Service completes its current appraisal cycle, which CBO expects will occur in 2014. Once implemented, CBO estimates that new cabin fee collections would total about \$32 million in 2015 and would reach \$38 million by 2023.

Because H.R. 1159 would cap annual cabin fees at \$5,000 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 2014-2023 period. Over the 2015-2016 period, CBO estimates that enacting H.R. 1159 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. 1159 would reduce offsetting receipts (an increase in direct spending) by \$12 million over the 2014-2023 period.

**Transfer Fees**

Section 4 would require the Forest Service to collect a transfer fee of \$1,200 from cabin owners who sell their cabins. CBO estimates that enacting this provision would increase offsetting receipts (a credit against direct spending) by \$4 million over the 2014-2023 period, based on information provided by the Forest Service regarding the number of new cabin lease permits issued each year.

**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.

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**CBO Estimate of Pay-As-You-Go Effects for H.R. 1159 as ordered reported by the House Committee on Natural Resources on March 20, 2013**

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	By Fiscal Year, in Millions of Dollars											2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b>													
Statutory Pay-As-You-Go Impact	0	3	-3	-1	0	1	1	1	1	1	1	1	8

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## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1159 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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