



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 5, 2014

### **S. 1341 Cabin Fee Act of 2013**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on December 19, 2013*

#### **SUMMARY**

S. 1341 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 authorize the Forest Service to spend, without further appropriations, receipts from cabin fees after 2023. Finally, the bill would establish a fee that would be assessed on individuals who transfer ownership of their cabins. Based on information provided by the Forest Service, CBO estimates that enacting the legislation would increase net direct spending by \$71 million over the 2015-2024 period; therefore, pay-as-you-go procedures apply. Enacting S. 1341 would not affect revenues.

S. 1341 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 S. 1341 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										2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024
<b>CHANGES IN DIRECT SPENDING</b>												
<b>Reduction in Cabin Fees</b>												
Estimated Budget Authority <sup>a</sup>	7	4	4	4	4	4	4	5	5	5	23	46
Estimated Outlays	7	4	4	4	4	4	4	5	5	5	23	46
<b>Administrative Costs</b>												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	31	0	31
Estimated Outlays	0	0	0	0	0	0	0	0	0	31	0	31
<b>Cabin Transfer Fee</b>												
Estimated Budget Authority	*	*	*	-1	-1	-1	-1	-1	-1	-1	-2	-5
Estimated Outlays	*	*	*	-1	-1	-1	-1	-1	-1	-1	-2	-5
<b>Total Changes</b>												
Estimated Budget Authority	7	3	4	4	4	4	4	4	4	35	20	71
Estimated Outlays	7	3	4	4	4	4	4	4	4	35	20	71

Notes: Amounts may not sum to totals because of rounding; \* = between \$0 and -\$500,000.

a. Because the fees already paid by some cabin owners for 2014 would exceed the amounts that would be owed in that year under the bill, CBO expects that the Forest Service would provide refunds to those cabin owners in 2015.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in 2014.

CBO estimates that enacting S. 1341 would increase net direct spending by \$71 million over the 2015-2024 period. Over that period, fees collected from cabin owners by the Forest Service would total \$46 million less than would be collected under current law (such losses are shown as an increase in direct spending). In addition, direct spending for administrative costs would increase by about \$31 million in 2024. Finally, proceeds from the cabin transfer fee required under S. 1341 would increase receipts (thus reducing direct spending) by \$5 million over the 2015-2024 period.

### Reduction in Cabin Fees

S. 1341 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 \$29 million in 2014 and that those collections will increase to about \$36 million a year by 2024. 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 new fee schedule that would be established by the bill, cabin owners would pay an annual fee per cabin of at least \$500 plus an additional amount that would depend on the appraised value of the occupied land and the maximum fee set by the Forest Service (which could not exceed \$5,500). CBO expects that those fees would go into effect in 2017, after the Forest Service has completed all of the appraisals required under the bill. Once implemented, CBO estimates that new cabin fee collections would total \$27 million in 2017 and would reach \$31 million by 2024.

Under S. 1341, the fees paid by cabin owners would increase more slowly over the 2014-2016 period than they would under current law. In addition, CBO expects that under the legislation, the Forest Service would set a maximum fee of less than \$5,500 per cabin beginning in 2017. As a result, CBO estimates that, on average, cabin owners would pay about \$400 less in fees per cabin under the bill than they would under current law over the 2014-2024 period. That estimate incorporates an adjustment for inflation and CBO's estimate that some cabins would be abandoned under current law because of higher cabin fees. In total, CBO estimates that implementing this provision would reduce offsetting receipts by \$46 million over the 2015-2024 period.

### **Administrative Costs**

The bill would authorize the Forest Service to spend, without further appropriations, receipts from cabin fees collected after 2023. The agency would use those amounts to cover the costs of administering recreation programs in National Forests. Because receipts from cabin fees cannot be spent without further appropriation under current law, CBO estimates that enacting this provision would increase direct spending by \$31 million in 2024.

### **Cabin Transfer Fees**

S. 1341 would require the Forest Service to collect a fee of \$1,200 from cabin owners who transfer ownership of their cabins. That fee would be adjusted annually to account for inflation. CBO estimates that enacting this provision would increase offsetting receipts, which are treated as reductions in direct spending, by \$5 million over the 2015-2024 period, based on information provided by the Forest Service regarding the number of permits issued to new owners 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 S. 1341 as ordered reported by the Senate Committee on Energy and Natural Resources on December 19, 2013**

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	By Fiscal Year, in Millions of Dollars												2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024	
<b>NET INCREASE OR DECREASE (-) IN THE DEFICIT</b>														
Statutory Pay-As-You-Go Impact	0	7	3	4	4	4	4	4	4	4	35	20	71	

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**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1341 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

**PREVIOUS CBO ESTIMATES**

On April 5, 2013, CBO transmitted a cost estimate for H.R. 1159, the Cabin Fee Act of 2013, as ordered reported by the House Committee on Natural Resources on March 20, 2013. The Senate bill would require additional appraisals to be conducted following the completion of the ongoing appraisal cycle and would allow the Forest Service flexibility in establishing a new maximum fee for cabins. In addition, under S. 1341, the cabin transfer fee would be adjusted for inflation and affect more cabin owners. Finally, the cost estimate for S. 1341 incorporates new information provided by the agency regarding the appraised values of all cabins located on Forest Service lands. Those differences are reflected in the cost estimates for the two bills.

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