CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 18, 2017

H.R. 289
GO Act

As ordered reported by the House Committee on Natural Resources on June 27, 2017

H.R. 289 would change the way certain federal agencies issue special recreation use permits and would change how the affected agencies recover costs associated with the permitting process. Based on information provided by the affected agencies and assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost $5 million over the 2018-2022 period.

CBO estimates that enacting the bill would affect the amount of fees (which are treated as reductions in direct spending) the affected agencies would collect; therefore, pay-as-you-go procedures apply. However, because the affected agencies have the authority to spend those fees, any change in fee collections would be offset by a corresponding change in the spending of those fees, so that the net effect on direct spending in any year would be negligible. Enacting the bill would not affect revenues.

CBO estimates that enacting the bill would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 289 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. 289 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						
	2017	2018	2019	2020	2021	2022	2017-2022
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	0	1	1	1	1	1	5
Estimated Outlays	0	1	1	1	1	1	5

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the end of 2017 and that the necessary amounts will be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns for similar activities.

In 2016, the affected agencies collected roughly $25 million in special recreation use fees and recovered an estimated $4 million in charges for issuing those permits. Agencies have the authority to spend all of those amounts under current law.

The bill would authorize those agencies to issue permits for certain new recreational activities without conducting environmental reviews that would be required under current law. The bill also would allow the Forest Service and the Bureau of Land Management to issue joint permits for activities that occur on lands administered by both agencies. Finally, the bill would cap the fee that agencies could charge for a permit at three percent of the annual gross revenue stemming from the permitted activity. CBO lacks sufficient data to estimate the net effect on fee collections that would result from the changes required under the bill. However, because the affected agencies would retain the authority to spend those collections, any change in collections would be offset by an equal change in spending. Thus, CBO estimates that enacting those changes would have only a negligible effect on net direct spending.

H.R. 289 also would require the affected agencies to waive the cost recovery charges for the first 50 hours of work required to complete the process issuing permits for recreation special use and would prevent agencies from recovering costs for completing certain activities under the Endangered Species Act. Based on information provided by the affected agencies, CBO estimates that enacting the bill would reduce collections and the associated direct spending by about $1 million a year resulting in no net change in direct spending relative to current law. However, because agencies would still be required to perform the work necessary to issue permits, CBO estimates that implementing the bill would cost $1 million a year over the 2018-2022 period, assuming appropriation of the necessary amounts, to carry out that work.

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. H.R. 289 would affect offsetting receipts (from permit and cost recovery fees) and associated direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any change in offsetting receipts would be offset by a similar change in direct spending and that the net effect would be negligible.

INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the bill would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 289 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Jeff LaFave
Impact on State, Local, and Tribal Governments: Jon Sperl
Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

H. Samuel Papenfuss
Deputy Assistant Director for Budget Analysis