April 21, 2010

Subcommittee to Hold Hearing on Hastings' Cabin Fee Fairness Bill

On Thursday, April 22nd the National Parks, Forest and Public Lands Subcommittee will hold a legislative hearing on the bipartisan Cabin Fee Act of 2010 (<u>H.R. 4888</u>) to establish a fair, predictable fee-setting system for families who own cabins in our National Forests.

The bill was introduced by House Natural Resources Committee Ranking Member Doc Hastings (WA-04) and has 13 co-sponsors, including the following Members of the Natural Resources Committee: Representatives Jim Costa (CA-20), Rob Bishop (UT-01), Tom McClintock (CA-04), Cathy McMorris Rodgers (WA-05), Cynthia Lummis (WY-AL) and Jason Chaffetz (UT-03).

"Unexpected, skyrocketing fees are making these family-owned cabins unaffordable and action must be taken to ensure there is a fair system in place," said Ranking Member Hastings. "Introducing this bill was the first step in working towards a solution and I welcome this hearing as an opportunity to gather input and start a conversation in Congress on how to fix this problem."

How H.R. 4888 Addresses Volatile Cabin Fees:

- In 1915, the National Forest Service established the Recreation Resident Program that set aside a small number of residential lots for Americans to build recreational cabins on federal land. The individuals own the cabin structures, and pay a yearly fee for the use of the Forest Service lot. There are currently over 14,000 recreational cabin owners across the United States. Most of the cabins have been passed down within families from generation to generation.
- In 2000, Congress adopted Public Law 106-291 that included a change in the law to implement variable cabin fees based on a subjective appraisal system. This change in the law has resulted in much higher fees than anticipated due to the difficulty in making appraisals that fully take into consideration the uniqueness of the cabins and the limited, temporary, and highly restricted rights of cabin owners when compared to typical fee-simple homes and real estate. With few, or no, true comparable sales, resulting appraisals are subjective and may involve arbitrary determinations.
- The <u>Seattle Times reported</u> that cabin owners in Lake Wenatchee recently received notice that their fees will increase more than 1,000 percent from \$1,400 to more than \$17,000 by 2011. The <u>Cashmere Valley Record wrote</u> about a family who is worried they will lose their cabin due to rising fees.

• The Cabin Fee Act of 2010, which is supported by the National Forest Homeowners Association and the Cabin Coalition2, would establish the following fair, predictable and tiered yearly fee structure. Cabins would be placed in the tiers based upon current appraisal values with the lowest in Tier 1 and highest in Tier 5. Fees would be adjusted annually for inflation.

Tier	Approximate Percent of Permits Nationally	Yearly User Fee
1	10%	\$500
2	35%	\$1,000
3	40%	\$2,000
4	10%	\$3,000
5	5%	\$4,000

- A new transfer fee would be assessed when cabins are sold or ownership is transferred within a family. A flat transfer fee of \$1,000 will be applied to all cabin sales, with an additional 5% assessed on any transfer sales of between \$250,000 and \$500,000, and an additional 10% assessed on any amount that exceeds \$500,000.
- Establishing this new structured, tiered fee system should also reduce the costs of
 overseeing and managing the cabin system for the Forest Service by eliminating the
 time-consuming and costly appraisal process.

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House Natural Resources Committee Republican Press Office Contact: <u>Jill Strait</u> or <u>Spencer Pederson</u> 202-226-2311

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