U.S. HOUSE OF REPRESENTATIVES

NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

FOR IMMEDIATE RELEASE Monday, September 10, 2012 PERMALINK CONTACT: <u>Crystal Feldman</u>, <u>Spencer Pederson</u> or <u>Jill Strait</u> 202-226-9019

House Passes Bipartisan Cabin Fee Fairness Legislation

Bill Creates a Predictable, Affordable Structured Fee System to Reduce Costs for Cabin Owners and the Forest Service

WASHINGTON, D.C. – Today, the House of Representatives passed <u>H.R. 3397</u>, the *Cabin Fee Act of 2011*, by voice vote. Sponsored by Chairman Doc Hastings (WA-04), the bill modifies the current cabin fee formula to make it more predictable and affordable for families who own cabins in our National Forests.

Recently, cabin owners have been faced with arbitrary, skyrocketing fees as a result of a faulty appraisal system that has allowed annual cabin fees to increase exponentially. Unable to afford the mounting fees, owners are faced with the choice of selling their cabins or abandoning and tearing them down. The *Cabin Fee Act of 2011* uses a new formula for calculating fees to ensure the bill is revenue neutral without imposing fees that American families cannot afford.

"This bill creates a simple, straightforward, and predictable fee schedule that is fair to the cabin owners, the Forest Service, and the American taxpayer. It would replace the current complex and unfair payment system by assigning cabins to tiers based on the lot's appraised value," said Chairman Hastings. "Many of the private cabins on Forest Service land are simple, rustic structures hand-built by the grandparents of the current owners early in the last century and passed down from generation to generation. The overwhelming majority of these cabins are modest family retreats. This bill will keep fees affordable for people such as teachers, factory workers, and retirees so that they can enjoy their family's cabins for years to come."

Background:

- 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 the majority in the West.
- 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 many

uncommon variables when compared to typical homes and real estate. With few, or no, true comparable sales, resulting appraisals are subjective and may involve arbitrary determinations.

- For example, as reported by <u>USA Today</u>, one family, whose cabin has been in the family for more than 40 years, will see fees increase from \$1,677 in 2008 to \$10,000 a year based on current appraisals.
- The Cabin Fee Act of 2011 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 10. Fees would be adjusted annually for inflation.

Tier	Approximate Percent of Permits Nationally	Yearly User Fee
1	5%	\$500
2	12%	\$1,000
3	22%	\$1,500
4	22%	\$2,000
5	10%	\$2,500
6	9%	\$3,000
7	7%	\$3,500
8	5%	\$4,000
9	5%	\$4,500
10	3%	\$5,000

- A flat transfer fee of \$1,200 will be applied to all cabin sales or when ownership is transferred within a family.
- The bill also adds a limitation on the rate of current law fee increases until all cabins are assigned to a tier.
- 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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