



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 28, 2018

H.R. 5171 **Ski Area Fee Retention Act**

*As ordered reported by the House Committee on Natural Resources
on July 18, 2018*

SUMMARY

H.R. 5171 would authorize the Secretary of Agriculture to spend, without further appropriation, a portion of the rental fees paid to the Forest Service by ski area operators occupying lands administered by the agency. Under current law, all rental income from such ski areas is deposited into the Treasury as offsetting receipts. Using information provided by the Forest Service, CBO estimates that enacting the bill would increase direct spending by \$236 million over the 2019-2028 period.

Enacting H.R. 5171 would affect direct spending; therefore, pay-as-you-go procedures apply. The bill would not affect revenues.

CBO estimates that enacting H.R. 5171 would not increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5171 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5171 is shown in the following table. The costs of the legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars											2019-	2019-
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2023	2028
INCREASES IN DIRECT SPENDING													
Estimated Budget Authority	0	22	23	23	23	23	24	24	24	25	25	114	236
Estimated Outlays	0	22	23	23	23	23	24	24	24	25	25	114	236

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted late in 2018.

Under current law, the Forest Service collects rental fees from ski area operators and deposits those amounts into the Treasury. Over the past five years, total fee collections, which vary based on the quality of the ski season, have averaged \$37 million annually. Under the bill, the Forest Service would be authorized to retain and spend 50 percent of all rental fees from ski areas where annual revenues total at least \$15 million and 65 percent of all fees from areas with less than \$15 million in annual revenues. Using information provided by the Forest Service, CBO estimates that the agency would retain and spend \$24 million a year, on average. Those amounts would be used to fund activities related to the administration of ski areas.

The bill also would direct the Secretary of Agriculture to use a portion of the rental fees to reduce amounts currently charged to ski area operators through cost recovery fees associated with the permitting process. Because the Forest Service has the authority to collect and spend those fees without further appropriation, CBO estimates that reducing cost recovery fees for activities associated with administering ski areas would have no net effect on direct spending.

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.

CBO Estimate of Pay-As-You-Go Effects for H.R. 5171, the Ski Area Fee Retention Act, as Ordered Reported by the House Committee on Natural Resources on July 18, 2018

	By Fiscal Year, in Millions of Dollars											2018-	2018-
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2023	2028
NET INCREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Effect	0	22	23	23	23	23	24	24	24	25	25	114	236

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 5171 would not increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

MANDATES

H.R. 5171 contains no intergovernmental or private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY

Federal Costs: Jeff LaFave
Mandates: Zachary Byrum

ESTIMATE REVIEWED BY

Kim P. Cawley
Chief, Natural and Physical Resources Cost Estimates Unit

Theresa Gullo
Assistant Director for Budget Analysis