

## **National Forest Recreation Residence Program in Crisis: The Failure of CUFFA's Appraisal and User Fee Provisions**

**The Issue:** Special Use permit fees for Recreation Residence cabins are set at 5% of the appraised value of the lot, indexed annually, as set forth in the Cabin User Fee Fairness Act of 2000, P.L. 106-291, (CUFFA). It was the spirit and intent of CUFFA to ensure that ordinary Americans have the opportunity to experience our National Forests through Recreation Residences and that the cabin program embodies the concept of land stewardship that is at the core of the Forest Service mission. However, implementation of CUFFA now threatens the very existence of this historic program.

Early appraisal results reveal exorbitantly high permit fees across the country. Cabin owners understand *and accept* the reality of upward pressure on real estate values throughout the nation. They are simply asking that fair market value of the *rights and privileges* authorized by the special use permit become the real basis for permit fees.

As a result of unfairly high fees, many cabin owners will be forced to put their cabins up for sale. Given the inaccurate, excessively high fees and severe use restrictions, many will find it difficult or *impossible* to sell them. The costs will simply outweigh the benefits and no one, not even the wealthy, will pay such a high price for a cabin having such severe use restrictions and high yearly permit fees. This is *not* what was intended by Congress when the cabin program was authorized nearly a century ago, nor what was intended when this issue was addressed in the late 1990's.

**The Problem:** The cabin permit fee determination process is flawed due to the language and implementation of CUFFA. The failure to include all use restrictions in appraisals that define market value results in inaccurate appraisals and inflates permit fees. CUFFA, in its present form, allows the Forest Service appraisers to take the permit restrictions out of the appraisal process, where market value is established and inappropriately lump them all in the unsubstantiated 5% rate calculation. Although the FS acknowledges the problems generated by CUFFA, the agency cannot solve them administratively.

Cabin Owner's Proposal: Although the FS is attempting to develop a "stopgap" solution to assist cabin owners hit by the most damaging fee increases, this can only be a temporary remedy. A viable long-term solution can only be addressed through corrective legislation. We are seeking Legislative support to correct the flawed language of CUFFA or find an alternative solution that recognizes the interests of U.S. citizens and cabin owners alike.

**The Solution:** Redraft the statute to set fees based on the value of the use of the land by the permit holder. This long-term legislative solution must provide that **all permit restrictions be included and adjusted for in the lot appraisal**. It is within the appraisal process that market trends and property value differences are determined.

Additional solutions can be found in,

1. Changing the 5% multiplier to fully include the market impact of all permit restrictions.
2. Imposing an additional fee cap to include a minimum and maximum fee.

Finally, a short term, stopgap fee moratorium or 'fee relief' program must be implemented to protect those cabin owners faced with unfairly high fees until corrective legislation can be enacted.