

Problems with the Interpretation of the Cabin User Fee Fairness Act

The Recreation Residence Program was established under the Organic Administration Act of 1897. On March 4, 1915 the Occupancy Permits Act authorized long-term permits (up to 30 years) to encourage public use, private investment and the building of cabins on the National Forest.

This was among the earliest recreation programs in the National Forests and, for more than 100 years, has provided a forest experience for multiple generations of entire families, their friends, children, the elderly and the physically handicapped. Ninety years later, this, particular form of recreation is regularly stated as a “valid use” of National Forest System lands. Sadly, however, today in many National Forests this congressionally accepted “valid use,” is being threatened.

In 1969, in exchange for 20 year permits, the Forest Service set up a system of appraisals to establish lot values and the annual special use fee, set at 5% of that appraised value. The system of appraisal changed little until recently. The 5% has remained constant, reportedly reflecting historical application going back into the late 1800’s. However, we believe it does not reflect the realities of today’s market forces.

In the late 1990’s problems with the appraisal process became very evident. One lot appraisal came in as high as \$600,000 resulting in an annual fee of \$30,000. Several national, state and local cabin associations became organized to address these problems. A Cabin Coalition was formed and, with the help of three prominent legislators and much input from coalition members, corrective legislation was proposed and passed by Congress into law.

The Cabin User Fee Fairness Act of 2000 (CUFFA) was intended to provide a fair, market-based appraisal of lot values that would result in a ‘fair fee’ for cabin permits on the National Forests. This necessitated recognizing the full impact of the Forest Service permit restrictions, as well as regional and local restrictions, on market values.

CUFFA was supposed to do this and we believe that was the intent of Congress. However, adjusting for permit restrictions within the appraisal has been disallowed by the Forest Service. Furthermore, we are convinced the ‘reduced fee,’ 5% of fee simple market value, does not fully account for the negative impact of all of those restrictions on the use of the lot. This is the heart of the problem. (See **Examples of Why We Are Concerned following footnotes**).

The 5% is said by the Forest Service to be a *discounted* rate. The presumption is that this supposedly discounted rate adjusts fully *and fairly* for the market impact of all permit restrictions. It does not. Furthermore, this premise has never been confirmed by publicly shared market research, nor documented by the Forest Service. The first potentially ruinous appraisals of this appraisal cycle are due to be completed by mid-March, 2008. Initial results foretell huge increases in fees.

The great majority of cabin users come from middle class circumstances and many cabins have been in the same family for generations. Cabin owners care about the Forests and the recreation experiences they provide all citizens, including their urban children. Their presence on the Forest stimulates local economies² and provides valuable tax dollars to local, state and federal government.³

Cabin owners are first-hand observers of the health of various Forest ecosystems and assist the Forest Service in monitoring the appropriate use of the Forest and its lands by other recreational users. Cabin owners volunteer time, labor and money,⁴ partnering with the Forest Service on a variety of projects. Our stewardship helps insure that the waters and land that sustain fish and wildlife remain clean and productive.

We teach our children the wonders of the natural world and strive to insure that the gifts of our Nation's Forests are passed on to our grandchildren and their grandchildren intact and unspoiled.

We strive to see that the 'Last Child in The Woods' is not found on *our* National Forest. These vitally important values will *only* be maintained if we, average American families and Recreation Residence users, are able to continue as permittees on the Forest.

Cabin owners are deeply invested in the Forest experience and value these unique environments and the recreation experiences afforded "in the woods." Many cabin owners have made substantial investments in local water and wastewater infrastructure as well as roads and other improvements. We understand *and accept* the reality of upward pressure on real estate values throughout the nation. We just ask that *fair market value be the real basis for our fees.*

A solution to this problem may be simple, even though the process of achieving a solution may be difficult. To be fair to both the United States and cabin permittees: **All restrictions imposed by the Forest Service permit language must be valued and used to adjust the market value of the subject lot, either through the language of CUFFA or by some other means.**

As citizens, with a significant investment in our cabins and improvements, we deserve an accurate and transparent presentation of the rationale, methodology, and calculation of proposed permit fees. This has not occurred to date under CUFFA as interpreted by the Forest Service. Our expectation is that the law must be fair and impartial. Both the letter and the spirit of the law must be taken into account in our social contract, which includes the relationship of citizens with their government.

Cabin owners believe that the spirit and intent of CUFFA were to see that ordinary Americans have the opportunity to experience our national forests through Recreation Residences. Therefore, we respectfully ask that Congress act to preserve the long and proud history of the Recreation Residence Program and our partnership with the Forest Service.

If a solution is not found, many cabin permit holders faced with exorbitantly high fees will be forced to obtain costly second appraisals, file appeals and/or pursue other legal and political means to attempt to find a fair, market-based solution.

If no solution is found, ultimately many cabin owners will be forced to put their cabins up for sale. Due to the exorbitantly high fees and use restrictions many will find it difficult, if not impossible, to sell them (see example 2 below). 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 or CUFFA!

We seek sensible, informed intervention by thoughtful leaders in the Forest Service and Members of Congress on behalf of the over 14,000 cabin permit holders nationally, and the thousands of others who share the use of these cabins. We truly treasure the Forest experience made possible for our families on our National Forests. Our partnership with the Forest Service has been mutually beneficial and is one we would like to see continue for many generations to come.

Concerned Citizens of the Cabin Community

'Federal Register, June 2,1994. Page 28727, "Recreation Residence Authorizations." It also is part of Forest Service Manual Chapter 2340- Privately' Provided Recreation Opportunities. The heading reads "2347.1 .Recreation Residences. (FSM 2721.23 and FSH 2709.11)" with the text as follows:

"Recreation Residences are a valid use of National Forest System lands. They' are an important component of the overall National Forest recreation program and have the potential of supporting a large number of recreation person-days. They may' provide special recreation experiences that might not otherwise be available. It is Forest Service policy' to continue recreation residence use and to work in partnership with holders of these permits to maximize the recreational benefits of these residences."

A statistical survey of cabin owners indicates that the average cabin owner spends \$6,555 in the local economy (within 50 miles of the cabin) for food, drink, staples, recreation, improvements and repairs every year. Cabin owners also contribute \$549 in donations and provide 56 volunteer hours (\$1051) annually. That is a per cabin total of \$8155 every year into the local cabin community! (NFH Economic Impact Survey'. 2006)

Government fees and taxes generated by the Recreation Residence Program exceed \$25M annually'. (NFH Economic Impact Survey, 2006)

Examples of Why We are Concerned

1) **The Little** Colorado Summer Home Group in the Apache-Sitgreaves National Forest in Arizona has received their final appraisal and their fee will be \$10,000 .per year! Additional preliminary appraisal data (now in Regional Forest Service offices) likely will result in similar annual fees in the tens of thousands at Priest Lake, ID, Turpin Meadow, WY, Pettit Lake, ID, Lake Wenatchee, WA and many others.

2) One appraisal conducted at Lake Wenatchee in 1999, had the pre-CUFFA based fee been fully implemented, would have resulted in an annual fee of more than \$16,000 per year. Unable to afford this huge fee increase, the cabin owners tried to sell their cabin through an auction last year, beginning with a minimum bid of \$50,000, and they had no takers. Current valuations suggest the annual fee will be well over \$30,000 per year. With no relief or sale, these folks will be required to demolish and remove their family's recreation residence.

3) Recent attempts at state land lease sales on Priest Lake, Idaho, with fees increased from the current 2.5% to 5% of land values, had no takers, even though these lots *have* lease rights that are *denied* Forest Service permit holders. Appropriately, the state of Idaho is re-examining this very negative market response. Also, the St. Louis County, Minnesota Assessor has informed us that his county charges 2.7% for their cabin lease fees on county leased lots. This speaks volumes about our concerns in regard to the inaccuracy of the 5% fee for Forest Service cabin permit holders as well

4) Specific Forest Service restrictions vary significantly from region to region. Yet CUFFA directs a 5% annual fee nationwide in addressing all these restrictions. How can a fixed fee be applied to variable circumstances and yet be considered fair or accurate?

(Over, please)

WHAT IS THE CABIN COALITION 2?

As appraisals commenced under the new regulations of the Cabin User Fee Fairness Act, cabin owner organizations representing many states became very concerned about the procedures and results. These same organizations have reconstituted the coalition of cabin owners to confront the appraisal issues and resulting unfairly high fees. These organizations include:

National Forest Homeowners

American Land Rights Association

Washington State Forest Homeowners Association

Oregon Forest Homeowners Association

California Forest Homeowners

Sawtooth Forest Cabin Owners Assn (Idaho)

Priest Lake Association (Idaho)

Lake Wenatchee Summer Home Assn (Washington)

With help from individual members in Wyoming, Arizona, Florida.

As your appraisal results come in, or if you hear something of concern from your local appraisers, please contact one of those organizations. The more we know the better we can take aim at a reasonable resolution.

Urgent Action is Required!

The FS Cabin Lot Appraisal Process Threatens Your Cabin with Unfairly High Permit Fees

Call, Write, Fax or Email your US Senators and Representatives

TELL CONGRESS THAT THE CABIN USER FEE FAIRNESS ACT (CUFFA) LEGISLATION PASSED IN OCTOBER, 2000 IS NOT WORKING AS INTENDED.

The Cabin Coalition 2, American Land Rights Association and National Forest Homeowners need your support and help to keep fees fair and preserve your family's recreation cabin on the National Forests.

The Cabin Coalition 2 is working to show the Forest Service and Congress that cabin owners are facing ruinously high cabin lot appraisals due to CUFFA not working as intended. The first appraisals will result in extraordinarily high annual permit fees, many over \$10,000, with some as high as \$15,000 to \$20,000 or more! The Forest Service interpretation of CUFFA does not allow permit restrictions to be considered in the appraised value of your cabin lot. Most FS lots will be appraised in the next few years. Cabin owners are talking of selling out, (*if* they can find a buyer.

We can't allow the Recreation Residence Program to become a haven for only the very wealthy.

Take immediate action. Make your concerns known. Send a strong message to your Senators and Representative that to be fair to the government and cabin owners, cabin lot appraisals must recognize the effect on value due to the large number of restrictions we must adhere to on our local forests.

Use the ideas below to write or email your own message. Please make sure to put your letter in your own words. If the letters are all the same, you will not get action from Congress. They must be different. Send your letter to your Senators and Representative today.

Contact information can be found at:

- ~ www.visi.com/juan/congress/
- ~ Your local newspaper or library.
- ~ Or call the Capitol Switchboard (202) 225-3121 to talk directly.
- ~ To fax, email or write, address as:

Honorable ____ US House of Representatives, Washington, DC 20515 and Honorable ____ US Senate,
Washington, DC 20510.

If you call, ask for the person who handles forests or forest cabin issues. Express your concerns! Get that person's fax and e-mail address and keep them for future reference.

Make your voice heard! Take Action to help preserve the future of your family's cabin! Help reform CUFFA!

Cabin Coalition 2, National Forest Homeowners and .4 American Land Rights Association

To help you with letter writing, here are some possible excerpts. Please use your own words. The letters should not be identical.

Subject line possibilities: Cabin Permit Fees and The Failure of CUFFA, or Forest Service Permit Fees for Summer Cabins, Our Cabin on the National Forest and Permit Fees.

Dear [Senator or Representative],

1. As a constituent and a cabin owner on the [Your Local Forest Name] National Forest, I want to make you aware that the legislation passed in October, 2000, called the Cabin User Fee Fairness Act (CUFFA), is not working as intended.
2. Because our cabin lots are not fairly and properly valued, many average American citizens will be faced with annual permit fees that are not only unaffordable, but also wrongly determined!
3. Talk about the restrictions: There is much we cannot do on the lots: we can't live there permanently; we can't rent our cabins without permission; we can't restrict who walks across and around our cabins; we can't paint the cabin any color we choose, only Forest Service "approved" colors are permitted and we can't have cabins bigger than [1200] sq. ft.
4. *Also* we can be told to remove the cabin if the FS determines something else is a better use. Plus, we don't receive any compensation for our loss. Cabin lots are being appraised as if these restrictions do not affect fair market value. But they do! All restrictions should be fully valued in our appraisal.
5. **VERY IMPORTANT!** Talk about your family values and experiences. You care about the forests and the experiences they provide you, your children, your friends and family.
6. You don't want to be forced to sell. Due to the exorbitantly high fees and use restrictions, we will have a difficult, if not impossible, time in doing so. The costs of a cabin permit will simply outweigh the benefits and no one, even the wealthy, will participate in the program, the ultimate result being the loss of the Recreation Residence Program itself
7. We seek sensible, informed intervention on our behalf We treasure the forest experience made possible for all on our National Forests in partnership with the Forest Service and want the Recreation Residence Program to continue far into the future.
8. Please contact Agriculture Department Under Secretary Mark Rey today and ask him about these problems. Thank you for your concern and assistance.

Sincerely or Regards or something like that,

[your name]

IT IS VERY IMPORTANT TO LET US KNOW WHAT YOU LEARN FROM YOUR SENATOR OR REPRESENTATIVE. WHERE DO THEY STAND ON REFORMING CUFFA? DO THEY SUPPORT CABIN OWNERS? ONCE YOU KNOW WHERE YOUR CONGRESSMAN STANDS, TELL US BY CONTACTING:

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