

Cabin Fee Act Frequently Asked Questions

Updated January 1, 2017

1) When was the new CFA Annual Fee effective?

The 2016 annual special uses permit fee was based on the CFA fee table for the first time. The USFS successfully implemented the 2016 annual permit fee billing cycle on schedule, a significant and historic achievement.

2) What fee tier is my permit assigned to?

The CFA specifies 11 fee tiers from \$650 to \$5,650, in \$500 increments. The USFS completed permit fee tier assignments in late 2015, in time for the 2016 billing cycle. NFH closely monitored the process and are pleased to say only a very small number of billing errors were discovered, which the USFS promptly corrected. By now, all permit holders are aware of their new annual permit fee.

3) How was my permit assigned to a CFA fee tier?

The USFS performed several tasks to determine CFA fees per the new law:

- a) First, all appraisals including all approved 2nd appraisals were completed. The last group of second appraisals were reviewed and approved by the USFS in March, 2015. The “current appraisal cycle” referenced in the CFA are all the appraisals conducted by the USFS with dates of value from 2006 to 2012.
- b) Next, USFS HQ worked with the USFS field to audit appraisal values, dates of value, and typical lot groups for every permit to confirm the accuracy of the key appraisal information required for the fee tier assignment process.
- c) Next, all appraisal values were adjusted to a common date of value of the 4th quarter of 2012 using the NAHB/Wells Fargo index. This step attempts to level the playing field for appraisal values that spanned over 6 years during a time of significant fluctuation in the real estate market, resulting a more equitable comparison of appraisal values.
- d) Next, all adjusted or “normalized” appraisal values were stack ranked from the lowest value to the highest value nationally and assigned a percentage ranking (0 – 100%).
- e) Finally, using the ranked percentage, permits were assigned by typical lot groups to the appropriate fee tier, based on the national % ranking. For example, the

6% of the permits with the lowest appraisal values nationally were assigned to Tier-1, while the 1% with the highest values were assigned to Tier-11.

CFA Fee Table

Tier	Permit Fee	Tier Size	Approx. No. of Permits	Ranking Range	
				From	To
1	\$650	6%	834	0%	6%
2	\$1,150	16%	2,224	6%	22%
3	\$1,650	26%	3,614	22%	48%
4	\$2,150	22%	3,058	48%	70%
5	\$2,650	10%	1,390	70%	80%
6	\$3,150	5%	695	80%	85%
7	\$3,650	5%	695	85%	90%
8	\$4,150	3%	417	90%	93%
9	\$4,650	3%	417	93%	96%
10	\$5,150	3%	417	96%	99%
11	\$5,650	1%	139	99%	100%
Total	\$2,205 avg	100%	13,900		

4) Were all fees under the CFA lower than under the prior CUFFA system?

No. While the average CFA fee is more than 10% lower than under old CUFFA system, this does not imply all fees are lower. We offer the very general guidance that for most prior fees in the \$500 to \$5,000 range, the CFA fee will be modestly lower or higher than your CUFFA fee for the same year. Because the CFA establishes fee tiers in \$500 increments, you can think of this as “rounding” up or down to align with a fee tier. While more permit fees will round down than up, a number of permit fees will round up to align with a fee tier.

5) My permit fee has gone up significantly over the last 5 years, so I expected a greater fee decrease than I received with my 2016 fee bill. Why didn't I see a greater fee decrease?

During the most recent appraisal cycle, the average CUFFA fee increased more than 100 percent. Some were even higher with increases of 3X, 5X, or more. While the average 2016 CFA fee is more than 10 percent lower than the average fee under CUFFA, this decrease does not reverse the steep increase suffered by many permit holders over the last 5-10 years. While the CFA does not reverse history, it does eliminate all future steep increases by eliminating the appraisal system.

6) Under the CFA, when is the next major fee adjustment?

Beyond 2016, all future fee increases under the CFA are limited to an annual inflationary increase using the IPD-GDP index. There will be no future appraisals, no steep fee increases, and **no fee adjustments of any kind** beyond the annual inflationary adjustment. Over the last 25 years, IPD-GDP index has increased +/- 2% per year. For 2017, the fee inflationary increase is slightly under 1.4% over the 2016 base fee. Stability and predictability of future fees are the largest benefits of the CFA.

7) We weren't satisfied with our most recent appraisal, can we appeal the appraisal value?

There is no mechanism in the Cabin Fee Act for appeal or adjustment of a permittee's appraisal valuation as determined through the prior CUFFA appraisal process. The opportunity to appeal the CUFFA fee and/or to request a second appraisal were key elements of the prior CUFFA process and were the only opportunities to seek adjustment of the final appraisal valuation. While there is no appeal process, if you believe your fee determination was based on inaccurate information (approved appraisal value, date of value, or typical lot grouping), please contact your permit administrator to request a correction.

8) What event will trigger the Transfer Fee?

The CFA specifies a \$1,200 fee will be paid when a new permit is issued due to a **change of cabin ownership**. The intent is for the transfer fee to apply to a cabin sale between unrelated parties, a sale between related parties, or the transfer of a cabin through gift or inheritance. As of the date of this update, the USFS has yet to publish the official transfer fee rules. NFH has drafted a set of transfer fee guidelines, which believe align with the USFS intentions, but are not official. Please see the **Transfer Fee Guidelines** document posted on the NFH website. The USFS first initiated Transfer Fees at the beginning of 2016. All requests for a new permit submitted in 2015, even if not acted upon until 2016 were not subjected to a transfer fee.

9) We also have a Special Uses Permit for our water system. How does the CFA impact this fee?

We are aware there other types of special use permits for water systems, shared docks, road maintenance, and other off-lot uses by cabin owners. These other fees are typically small administrative fees not addressed by the CFA. We do not anticipate any significant changes for other special use fees. The CFA defines a new system for determining the 1) annual Special Use Fee for a Recreation Residence, and 2) a Transfer Fee assessed when a new permit is issued due to a change of Recreation Residence ownership only.