



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

June 29, 2001

S. 1029
**An act to clarify the authority of the Department of Housing
and Urban Development with respect to the use of fees during fiscal
year 2001 for the manufactured housing program**

As cleared by the Congress on June 20, 2001

SUMMARY

S. 1029 would give the Department of Housing and Urban Development (HUD) the authority to spend fees collected by its manufactured housing program without further appropriation. HUD assesses these fees on companies for the cost of inspecting manufactured homes. CBO estimates that the legislation will increase governmental receipts (revenues) by \$48 million during the 2001-2006 period, and will increase direct spending by \$51 million over the same period.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO's estimate of the impact of S. 1029 on direct spending and revenues is shown in the following table. Only the estimated changes in the budget year and the succeeding four years are counted for pay-as-you-go purposes. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in outlays	4	9	9	9	10	10	10	11	11	11	12
Changes in receipts	2	8	9	9	10	10	10	11	11	11	12

BASIS OF ESTIMATE

Since enactment of the American Homeownership and Economic Opportunity Act of 2000 on December 27, 2000, HUD's spending related to manufactured home inspections has been subject to appropriation action. In addition, the fees HUD collects for these inspections have been recorded in the budget as offsets to the program's discretionary spending. However, the inspection program has not received an appropriation for 2001 and therefore has been unable to spend the approximately \$3 million fees collected since December 27, 2000.

Under this legislation, HUD could spend the fees that have been collected since December, as well as all future fee collections, without further appropriation action. Based on information from HUD, CBO estimates that this provision would increase direct spending by \$4 million in 2001 and \$51 million over the 2001-2006 period. In addition, CBO expects all future fee collections will be recorded on the budget as revenues. Following enactment of this legislation, CBO estimates that HUD would collect about \$2 million more in inspection fees by the end of 2001, and a total of about \$48 million over the 2001-2006 period.

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