



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 2, 1999

### **H.R. 350** **Mandates Information Act of 1999**

*As ordered reported by the House Committee on Rules on February 2, 1999*

The Congressional Budget Office (CBO) estimates that enacting this legislation would result in no significant costs to the federal government. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 350 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no impact on the budgets of state, local, or tribal governments.

H.R. 350 would amend the Congressional Budget Act to expand the duties of CBO under UMRA. In particular, the bill would require CBO to provide additional information when it determines that a bill or joint resolution contains a private-sector mandate with costs exceeding the threshold established in UMRA (\$100 million, in 1996 dollars, in any one year). That information would include the impact of private-sector mandates on consumers, workers, and small businesses (including any disproportionate impact on particular regions or industries).

H.R. 350 also would make legislation subject to a point of order if it includes private-sector mandates with costs exceeding the threshold. Such costs would exclude amounts attributable to tax or tariff provisions, if such provisions, in aggregate, do not raise net revenues over the first five fiscal years they were in effect.

Finally, the legislation would amend UMRA's definition of intergovernmental mandate as it relates to certain large entitlement grant programs (such as Medicare). Under this amendment, changes to those programs would be considered mandates unless the same bill that makes the change also gives state and local governments new flexibility within the program to offset any additional costs.

Based on the experiences of CBO and the Joint Committee on Taxation (which provides CBO with revenue estimates) in carrying out the provisions of UMRA, CBO estimates that neither agency would incur significant additional costs to implement the changes that would be made by H.R. 350. The number of bills containing private-sector mandates with costs exceeding the threshold is small—less than 20 instances in each of the last two years—and the

additional workload would not be substantial. Furthermore, the proposed change in UMRA's definition of intergovernmental mandates would not affect many of the bills that CBO reviews each year. Any increase in costs would be subject to the availability of appropriated funds for CBO and the Joint Committee on Taxation. In addition, CBO estimates that changes to Congressional procedures would not result in additional costs to the Congress.

The CBO staff contacts are Mary Maginniss (for federal costs), Theresa Gullo (for intergovernmental mandates), and Roger Hitchner (for private-sector mandates). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.