



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 11, 2000

H.R. 1924 **Federal Agency Compliance Act**

As ordered reported by the House Committee on the Judiciary on September 20, 2000

H.R. 1924 would require federal agencies to abide by appellate court precedents in a particular circuit when administering policies or regulations in that circuit, except under certain circumstances. The bill also would direct federal agencies to avoid unnecessary relitigation of legal issues, especially in instances where three or more judicial circuits have handed down rulings unfavorable to the government.

CBO estimates that enacting H.R. 1924 would have no significant impact on the federal budget. Because enactment of the bill could affect direct spending and receipts, pay-as-you-go procedures would apply—but the amounts involved would not be significant. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Based on information from the Department of Justice (DOJ), CBO believes that federal agencies are generally in compliance with federal law and that they usually exercise appropriate discretion when determining whether an appeal in any particular case is warranted. For example, the Social Security Administration (SSA)—one of the agencies potentially most affected by this bill—already has a policy on acquiescence that essentially meets the requirements of H.R. 1924. It is possible that implementing this bill could reduce the amount of litigation concerning policies and regulations of some federal agencies. This could lead to lower litigation costs, as well as changes in the amounts paid for certain federal benefits and the amount of revenues collected. Based on information from DOJ, SSA, and the Internal Revenue Service, CBO expects that the magnitude of such changes would be small.

The CBO staff contact for this estimate is Lanette J. Keith. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.