



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

March 23, 2000

**H.R. 1954**  
**Rental Fairness Act of 1999**

*As ordered reported by the House Committee on Commerce on March 15, 2000*

CBO estimates that enacting H.R. 1954 would have no impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 1954 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs would not be significant and thus would not exceed the threshold established in that act (\$55 million in 2000, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

H.R. 1954 would establish that companies that rent or lease cars are not subject to unlimited liability under state law for damages caused by the operator of a rented or leased vehicle. Such companies would still be responsible for damages to the extent of the minimum insurance or financial responsibility required by state law.

The bill would preempt the liability laws of as many as seven states and the District of Columbia, and thus would be a mandate as defined in UMRA. The bill would no longer allow these states and the District to impose unlimited liability on rental and leasing car companies and would cap the damages for which such companies are responsible to the minimum financial or insurance requirements set by state law. Because the bill would not require states to take any specific action, however, it would impose no significant costs on state, local, or tribal governments.

The CBO staff contact is Lisa Cash Driskill. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.