



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 27, 1999

### **H.R. 2112** **Multidistrict Jurisdiction Act of 1999**

*As reported by the Senate Committee on the Judiciary on October 21, 1999*

CBO estimates that enacting H.R. 2112 would result in no significant impact on the federal budget. Because this act would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 2112 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no effect on the budgets of state, local, or tribal governments.

Enacting this legislation would remove existing impediments to the effective consolidation of certain lawsuits within the federal judicial system. H.R. 2112 would permit the federal judge before whom the cases were consolidated for pretrial proceedings to consolidate them for trial on the common issues of liability and punitive damages. Under current law, cases related by one or more common questions of fact that are pending in multiple federal judicial districts may be consolidated before a single federal judge only for pretrial proceedings. At the end of those proceedings, each case is required to be remanded for trial to the judicial district from which it had been transferred.

CBO expects that enacting H.R. 2112 would result in a more efficient use of federal judicial resources. However, CBO estimates that any savings realized by the federal court system would not be significant. Most cases that would be covered under H.R. 2112 are settled out of court and never go to trial. The number of cases that would be affected by this legislation would be small and would not result in an immediate reduction in the number of cases heard by the federal court system.

On August 24, 1999, CBO prepared a cost estimate for H.R. 2112, the Multidistrict, Multiparty, Multiforum Trial Jurisdiction Act of 1999, as ordered reported by the House Committee on the Judiciary on July 30, 1999. The two versions of the legislation are similar, and we estimate both would have a negligible impact on the federal budget.

The CBO staff contact for this estimate is Lanette J. Keith. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.