



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 6, 2005

H.R. 554 **Personal Responsibility in Food Consumption Act of 2005**

As ordered reported by the House Committee on the Judiciary on May 25, 2005

H.R. 554 would require courts to dismiss certain lawsuits filed against manufacturers and sellers of any food product as well as the trade associations that represent them. Specifically, the bill would affect lawsuits seeking damages for injury resulting from weight gain, obesity, or any health condition associated with obesity as a result of consumption of these products. CBO estimates that implementing H.R. 554 would not have a significant impact on the federal budget. Enacting the bill would not affect direct spending or revenues.

H.R. 554 would impose both an intergovernmental and a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by prohibiting state, local, and tribal governments and the private sector from pursuing certain civil lawsuits concerning obesity or related health conditions. The bill also would preempt state liability laws and the authority of state courts to hear such cases.

The direct cost of the mandates would be the forgone net value of damage awards. According to academic and government sources, no such lawsuits have been resolved, and those sources expect that it is unlikely that there will be many new cases filed in the future. Consequently, CBO estimates that the direct cost of the mandates (the expected value of foregone court awards) would be negligible and would fall well below the annual thresholds established by UMRA for intergovernmental mandates (\$62 million in 2005, adjusted annually for inflation) and private-sector mandates (\$123 million in 2005, adjusted annually for inflation).

The CBO staff contacts for this estimate are Gregory Waring (for federal costs), Melissa Merrell (for the state and local impact), and Paige Piper/Bach (for the private-sector impact). The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.