



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 9, 2011

**H.R. 963
See Something, Say Something Act of 2011**

As ordered reported by the House Committee on the Judiciary on July 21, 2011

H.R. 963 would amend the Homeland Security Act of 2002 to grant immunity from civil liability to people who report suspicious activities that would violate the law relating to terrorism. Under current law, citizens are protected from liability in cases when they report suspicious activities on transportation systems. The bill would expand that protection to any citizen in any circumstance. Because the bill would address a private right of action and based on information from the Department of Homeland Security, CBO estimates that the bill would have no effect on the federal budget. Enacting H.R. 963 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 963 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by preempting state and local liability laws. CBO estimates that the preemption would not significantly affect the budgets of state, local, or tribal governments; while the mandate would limit the application of state and local laws, it would impose no duty that would result in additional spending.

By expanding protections against civil liability claims for individuals who report suspicious terrorist-related activities to an authorized official, the bill would eliminate an existing right to seek compensation for damage caused by certain acts; that expansion would impose a private-sector mandate. The direct cost of the mandate would be the forgone net value of awards and settlements in such claims. Because there is a lack of information about both the value of awards in such cases and the number of claims that would be filed in the absence of this legislation, CBO has no basis for predicting the level of potential damage awards, if any. Thus, CBO cannot estimate the cost of this mandate or whether that cost would exceed the annual threshold established in UMRA for private-sector mandates (\$142 million in 2011, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sarah Puro (for federal costs) and Amy Petz (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.