



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 23, 2016

H.R. 5233 **Clarifying Congressional Intent in Providing for D.C. Home Rule** **Act of 2016**

*As ordered reported by the House Committee on Oversight and Government Reform
on May 17, 2016*

H.R. 5233 would repeal the Local Budget Autonomy Amendment Act of 2012 (the Act), a law enacted by the District of Columbia that allows the District to spend local revenues without a Congressional appropriation. In particular, the bill would clarify that all funds provided for the District of Columbia must be appropriated by the Congress. Implementing the legislation would have no effect on the federal budget because any costs would be attributed to future appropriation acts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 5233 would not increase direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

Because preemptions limit the authority of state and local governments, they are considered intergovernmental mandates under the Unfunded Mandates Reform Act (UMRA). H.R. 5233 would impose such a mandate by repealing a law of the District of Columbia. Repeal of the Act would reduce the District's control over the nonfederal portion of its budget. However, even in the absence of the bill, CBO expects that the Congress would continue to exert considerable authority over the budget of the District. Enacting H.R. 5233 would invalidate any budget developed by the District's government under the Act and could impose administrative costs on the District associated with submitting a new budget. However, based on feedback from budget officials in the District, CBO estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for intergovernmental mandates (\$77 million in 2016, adjusted annually for inflation). The bill contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs) and Jon Sperl (for state and local mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.