



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 8, 2017

**H.R. 720
Lawsuit Abuse Reduction Act of 2017**

As ordered reported by the House Committee on the Judiciary on February 2, 2017

H.R. 720 would amend Rule 11 of the Federal Rules of Civil Procedure to require courts to impose appropriate sanctions on attorneys, law firms, or parties who file frivolous lawsuits and require them to compensate parties injured by such conduct. Under current law, courts may, but are not required to, impose such sanctions.

Under the legislation, any monetary sanction imposed under Rule 11 would be paid by the parties to the suit. Thus, CBO estimates that implementing the bill would have no effect on the federal budget. Enacting H.R. 720 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 720 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 720 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Robert Reese. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.