CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 30, 2017

H.R. 3758
Senior Safe Act of 2017

As ordered reported by the House Committee on Financial Services on October 12, 2017

H.R. 3758 would exempt financial institutions and some of their employees from liability in any civil or administrative proceeding in situations where those employees make a report about the potential exploitation of a senior citizen to a governmental agency. Based on information from the federal banking regulators, CBO concludes that the bill would not change their policies towards such reporting. Accordingly, CBO estimates that enacting the bill would have no effect on the federal budget.

Enacting H.R. 3758 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 3758 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3758 would impose an intergovernmental mandate as defined in the Unfunded Mandate Reform Act (UMRA) by preempting state laws that provide a lower level of liability protection for certain financial institutions and their employees than would be provided under the bill. The bill would exempt from liability financial institutions and employees of those institutions that have received training on the financial exploitation of senior citizens and have filed reports of such exploitation to an appropriate government authority. Although the preemption would limit the application of state laws and regulations, CBO estimates that the bill would impose no duty on state, local, or tribal governments that would result in additional spending or a loss of revenues.

H.R. 3758 also would impose a private-sector mandate by removing a private right of action. The bill would eliminate the right of plaintiffs to file a civil action against some financial institutions and employees of such institutions for disclosing information about the potential exploitation of a senior citizen in compliance with the bill. Similar to the intergovernmental mandate, the scope of the private-sector mandate is narrow, applying liability protection to only those employees that have received training and filed reports as outlined in the bill. The protection is similarly narrow for financial institutions. The cost of the mandate would be the forgone net value of awards and settlements that would have been awarded for such claims in the absence of the bill. Therefore, CBO estimates that the cost of the mandate in any one year would fall below the annual threshold for private-sector mandates established in UMRA ($156 million in 2017, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sarah Puro (for federal costs) and Rachel Austin (for intergovernmental and private-sector mandates). The estimate was approved H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.