

S. 1601, HOT CARS Act of 2019

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 10, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	3	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Over Threshold

S. 1601 would require the National Highway Traffic Safety Administration (NHTSA) to issue a new regulation requiring new passenger vehicles to have a system to alert the driver to check the backseat after the engine has been shut off. The bill also would require NHTSA to contract with an independent third party to complete a study on retrofitting passenger vehicles with technology to eliminate the risk of children being forgotten in the backseat. Using information from NHTSA, CBO estimates implementing those provisions would require one additional employee, several passenger vehicles for testing purposes, other equipment, and additional funds for the third-party study. In total, implementing the bill would cost \$3 million over the 2020-2024 period, CBO estimates. Such spending would be subject to the availability of appropriations.

S. 1601 also would require states that receive funding from NHTSA's Highway Safety Grants Program to use a portion of those grants to carry out public education programs on the risks of leaving a child in a vehicle that has been turned off. Those grants are funded by contract authority (a form of mandatory budget authority) and distributed to the states by formula. The bill would not authorize additional funds for those grants, and CBO expects that implementing the new public education programs would not significantly change the rate at which the NHTSA grant funds are spent by the states.

S. 1601 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on manufacturers of automobiles. CBO estimates that the cost of



complying with the mandate would exceed the annual threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

Using data on vehicle sales from the Bureau of Economic Analysis, CBO estimates that manufacturers would need to install alert systems in more than 16 million motor vehicles annually. The cost of installing a system would depend on the rule to be issued by the Secretary of Transportation, which CBO expects would take effect in 2024. Although some auto manufacturers are currently installing rear-seat sensors in certain models and intend to make alert systems standard in their 2022 and 2023 models, CBO expects most auto manufacturers will have to develop or purchase rear-seat alert technology to comply with the department's rule. Therefore, CBO estimates that automobile manufacturers would incur several hundred million dollars in costs to comply with the mandate when it takes effect in 2024 and in each of the following four years.

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Robert Reese (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.