March 14, 2022

CBO’s Estimate of the Statutory Pay-As-You-Go Effects of H.R. 963, the FAIR Act of 2022, as posted on the website of the Clerk of the House on March 14, 2022

https://docs.house.gov/billsthisweek/20220314/BILLS-117HR963RH-RCP117-34.pdf

	By Fiscal Year, Millions of Dollars											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
	Net Change in the Deficit											
Pay-As-You-Go Effect	**0**	0	0	0	0	0	0	0	0	0	0	0
Memorandum:												
Changes in Outlays	**0**	0	0	0	0	0	0	0	0	0	1	2
Changes in Revenues	0	0	0	0	0	0	0	0	0	0	1	2

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those procedures are shown here.

Components may not sum to totals because of rounding.

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Estimates relative to CBO’s July 2021 baseline; estimated budget authority equals outlays.

H.R. 963 would prohibit predispute arbitration agreements or joint-action waivers from being valid or enforceable if they require arbitration of an employment, consumer, antitrust, or civil rights dispute. As a result of the bill, CBO expects that the number of lawsuits filed in federal courts—particularly suits concerning employment and consumer disputes—would increase each year. The magnitude of the change is subject to significant uncertainty.

The federal judiciary charges fees to file suit in district court. Those fees are recorded as revenues and can be spent without further appropriation by courts. Under the bill, CBO expects that several hundred additional suits would be filed each year and that the resulting change in revenues would total $2 million over the 2022-2031 period. CBO estimates that the bill would increase direct spending by the same amount over that period.