

## At a Glance

### Energy and Commerce Legislation

As ordered reported by the House Committee on Energy and Commerce on December 6, 2023

On December 6, 2023, the House Committee on Energy and Commerce ordered reported 41 bills. This single, comprehensive document provides estimates for 7 of those bills.

- All of the bills would increase spending subject to appropriation.
- H.R. 2964, H.R. 3950, H.R. 6125, and H.R. 6543 would each increase revenues by an insignificant amount; thus, pay-as-you-go procedures apply to those bills. None of the bills would affect direct spending.
- None of the bills would increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2034.
- H.R. 2964, H.R. 3950, H.R. 6125, and H.R. 6543 would impose intergovernmental or private-sector mandates.

Details of the estimated costs of each bill are discussed in the text.

Bill	Net Increase or Decrease (-) in the Deficit Over the 2024-2034 Period (Millions of Dollars)	Changes in Spending Subject to Appropriation Over the 2024-2029 Period (Outlays, Millions of Dollars)	Mandate Effects?
H.R. 2964	*	4	Yes
H.R. 3950	*	4	Yes
H.R. 5146	0	2	No
H.R. 5390	0	1	No
H.R. 5398	0	2	No
H.R. 6125	*	4	Yes
H.R. 6543	*	4	Yes

\* = between -\$500,000 and zero.

**Detailed estimate begins on the next page.**

## Summary of Legislation

On December 6, 2023, the House Committee on Energy and Commerce ordered reported 41 bills. This document provides estimates for 7 of those bills.

The bills would require the Federal Trade Commission (FTC) to enforce new prohibitions and requirements or would direct the Department of Commerce to study various issues and report to the Congress.

## Estimated Federal Cost

The bills' costs fall within budget function 370 (commerce and housing credit).

## Basis of Estimate

For this estimate, CBO assumes that the bills will be enacted near the middle of fiscal year 2024. The estimated costs do not include any interaction effects among the bills. If all seven bills were combined and enacted as a single piece of legislation, the estimated costs would be different from the sum of the separate estimates, although CBO expects that any difference would be small.

CBO estimates that implementing each of the seven bills would cost between \$1 million and \$4 million over the 2024-2029 period; that spending would be subject to the availability of appropriated funds.

Four bills—H.R. 2964, H.R. 3950, H.R. 6125, and H.R. 6543—would each increase revenues by an insignificant amount. Entities that fail to meet each of those bills' new requirements could face civil penalties, which are recorded in the federal budget as revenues. To some extent, collection of any civil fines would depend on the amount of appropriations provided by future appropriation acts to pay for enforcement. In addition, whether the FTC would pursue civil penalties or some other remedy for violations is unclear. In any event, CBO expects that companies would generally comply with the new requirements and that any additional revenues collected over the 2024-2034 period would be insignificant for each bill.

### H.R. 2964, WIPPES Act

The bill would require manufacturers and suppliers of disposable wipes to clearly mark their products with a “do not flush” label and symbol. The FTC would enforce those requirements.

Based on the cost of similar provisions, CBO estimates that implementing H.R. 2964 would cost the FTC \$4 million to issue guidance and to monitor and enforce violations. In addition, CBO estimates that enacting the bill could increase civil penalty collections, which are recorded in the federal budget as revenues, by an insignificant amount.



### **H.R. 3950, TICKET Act**

The bill would require companies that issue tickets or that sell tickets on the secondary market to clearly display the total price of any ticket, including itemizing any fees not included in the base ticket price. That requirement would apply to live events at venues with an attendance capacity of 200 people or more. The FTC would enforce those requirements.

Based on the cost of similar provisions, CBO estimates that implementing H.R. 3950 would cost the FTC \$4 million to issue guidance and to monitor and enforce violations. In addition, CBO estimates that enacting the bill could increase civil penalty collections, which are recorded in the federal budget as revenues, by an insignificant amount.

### **H.R. 5146, Advancing Gig Economy Act**

The bill would require the Department of Commerce to study and report to the Congress within two years of enactment on how the gig economy affects U.S. businesses.

Based on the cost of similar studies, CBO estimates that implementing H.R. 5146 would cost \$2 million over two years for the work of four employees, at an annual cost of about \$220,000 each, along with purchases of data and survey contracts.

### **H.R. 5390, Critical Infrastructure Manufacturing Feasibility Act**

The bill would require the Department of Commerce to study and report to the Congress within one year of enactment on the feasibility of manufacturing in the United States products in critical infrastructure sectors that now are imported because of supply chain constraints.

Based on the cost of similar studies, CBO estimates that implementing H.R. 5390 would cost \$1 million for one year for the work of four employees, at a cost of about \$220,000 each, along with purchases of data and survey contracts.

### **H.R. 5398, Advancing Tech Startups Act**

The bill would require the Department of Commerce to study and report to the Congress within two years of enactment on how technology startup companies affect the U.S. economy.

Based on the cost of similar studies, CBO estimates that implementing H.R. 5398 would cost \$2 million over two years for the work of four employees, at an annual cost of about \$220,000 each, along with purchases of data and survey contracts.

### **H.R. 6125, Online Dating Safety Act of 2023**

The bill would require providers of online dating services to notify a user if they are contacted by a member whose account was suspended or terminated because of fraudulent activity. The FTC would enforce those requirements.

Based on the cost of similar provisions, CBO estimates that implementing H.R. 6125 would cost the FTC \$4 million to issue guidance and to monitor and enforce violations. In addition, CBO estimates that enacting the bill could increase civil penalty collections, which are recorded in the federal budget as revenues, by an insignificant amount.

### **H.R. 6543, No Hidden FEES Act of 2023**

The bill would require providers of short-term lodging and websites that advertise or offer such lodging to display each mandatory fee required to complete a booking. The FTC would enforce those requirements.

Based on the cost of similar provisions, CBO estimates that implementing H.R. 6543 would cost the FTC \$4 million to issue guidance and to monitor and enforce violations. In addition, CBO estimates that enacting the bill could increase civil penalty collections, which are recorded in the federal budget as revenues, by an insignificant amount.

### **Pay-As-You-Go Considerations**

CBO estimates that enacting H.R. 2964, H.R. 3950, H.R. 6125, and H.R. 6543 would each increase revenues by less than \$500,000 over the 2024-2034 period; therefore, pay-as-you-go procedures apply to those bills.

### **Increase in Long-Term Net Direct Spending and Deficits**

None of the bills would increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2035.

### **Mandates**

The following bills—H.R. 2964, H.R. 3950, H.R. 6125, and H.R. 6543—would impose mandates as defined in the Unfunded Mandates Reform Act (UMRA).

#### **H.R. 2964, WIPPES Act**

The bill would impose intergovernmental and private-sector mandates, but CBO estimates that the costs to comply with those mandates would not exceed the thresholds established in UMRA (\$100 million and \$200 million in 2024, respectively, adjusted annually for inflation).

H.R. 2964 would preempt some state and local laws governing the labeling of certain disposable wipes. Although the preemptions would limit the application of state and local laws, they would impose no duty on state or local governments that would result in significant spending or loss of revenues.

The bill would require manufacturers of certain disposable wipes to clearly mark their products with a “do not flush” label and symbol. Because manufacturers already are

complying with similar laws enacted in California, Illinois, and several other states, CBO estimates that the cost for manufacturers to comply with the mandate would be small.

### **H.R. 3950, TICKET Act**

The bill would impose private-sector mandates as defined in UMRA on ticket sellers and resellers by requiring certain changes, including new refund policies, to the ticketing process. CBO estimates that the aggregate cost to comply with the mandates would be above the threshold established in UMRA for private-sector mandates (\$200 million in 2024, adjusted annually for inflation).

Under the bill, if an event is canceled, ticket sellers and resellers would be required to refund the full ticket price, including taxes and fees, to purchasers. If an event is postponed, sellers and resellers would be required to offer customers either a full refund or a replacement ticket, if available, subject to the customer's preference. Sellers also would be required to disclose this refund policy. The bill allows for exceptions to this policy in cases where the cancellation or postponement is beyond the control of the ticket issuer, such as natural disasters. Based on discussions with industry sources, a substantial share of sellers and resellers already provide full refunds for canceled events but few offer refunds for postponed events. Considerable uncertainty surrounds the ways that federal regulations might define what is within the control of a ticket issuer in the event of a cancellation or postponement or what might constitute comparable replacement events. Given the large size of the industry and the amount of revenue generated by ticketed events, CBO estimates that the cost of the mandate would exceed the threshold for private-sector mandates.

H.R. 3950 also would require ticket sellers and resellers to make certain up-front disclosures to consumers. They would need to disclose the total ticket prices, including taxes and fees. Those disclosures would occur when the ticket is first displayed to the consumer and in any advertisements or marketing. The bill also would require sellers and resellers to provide purchasers with an itemized list of the base price and all fees. Information from the industry indicates that most ticket sellers have already begun to provide the total cost to consumers in advance; thus, CBO expects that the additional requirements in the bill would have small costs for ticket sellers and resellers.

The bill also would require ticket resellers to disclose to consumers that they are resellers before any purchase is complete. Sellers and resellers would be prohibited from advertising or selling any ticket that the seller does not actually or constructively possess. In certain instances, sellers also would be prohibited from revealing to consumers and using the names of venues, teams, artists, and events in their online domain names. CBO expects that those disclosures and prohibitions would impose minimal costs on the sellers.

The bill contains no intergovernmental mandates as defined in UMRA.



### **H.R. 6125, Online Dating Safety Act of 2023**

The bill would impose intergovernmental and private-sector mandates, but CBO estimates that the costs to comply with those mandates would not exceed the thresholds established in UMRA (\$100 million and \$200 million in 2024, respectively, adjusted annually for inflation).

The bill would preempt state laws governing fraud notifications issued by online dating services. Although the preemptions would limit the application of state and local laws, they would impose no duty on state or local governments that would result in significant spending or loss of revenues.

H.R. 6125 would require providers of online dating services to send a fraud notification to consumers who receive a message from any member who has been banned by the service. Because some states already require those fraud notifications, most dating services have implemented the policy regardless of the consumer's location. Therefore, CBO expects that the cost to comply with the mandate would be small.

### **H.R. 6543, No Hidden FEES Act of 2023**

The bill would impose intergovernmental and private-sector mandates, but CBO estimates that the costs to comply with those mandates would not exceed the thresholds established in UMRA (\$100 million and \$200 million in 2024, respectively, adjusted annually for inflation).

The bill would preempt state and local laws governing the display of prices for short-term lodging. Although the preemptions would limit the application of state and local laws, they would impose no duty on state or local governments that would result in significant spending or loss of revenues.

H.R. 6543 would prohibit providers, online booking websites, and advertisers of short-term lodging from displaying prices that do not include all mandatory fees. Information from industry sources and the FTC indicates that several lodging providers already comply with provisions in the bill, and CBO expects the cost for other entities to comply would be small because they already possess the fee information required to be displayed.

### **Previous CBO Estimate**

On October 25, 2023, CBO transmitted a [cost estimate for S. 1303](#), the TICKET Act, as reported by the Senate Committee on Commerce, Science, and Transportation on September 12, 2023. Under H.R. 3950, regulated companies would be required to fulfill requirements that are additional to those specified in S. 1303; for example, if an event is canceled or postponed, a ticket seller would need to provide a full refund or replacement ticket. In addition, H.R. 3950 would require the FTC to report to the Congress on its enforcement of the Better Online Ticket Sales Act of 2016. CBO's estimated federal costs

for both bills are the same. Because of the additional refund requirements on ticket sellers and resellers in H.R. 3950, CBO has determined that the cost of the private-sector mandates is above the threshold.

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