



**A Review of CBO's Activities in 2002
Under the Unfunded Mandates Reform Act**

May 2003



Preface

This report is the Congressional Budget Office's (CBO's) annual review of its activities under the Unfunded Mandates Reform Act of 1995. The report covers legislation before the Congress in 2002 that would impose federal mandates on other levels of government or the private sector.

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CONTENTS

Mandate Statements Prepared in 2002 2

Intergovernmental Mandates with Costs Above the
Statutory Threshold 2

Private-Sector Mandates with Costs Above the
Statutory Threshold 3

Public Laws in 2002 That Contained Mandates 3

Mandate Statements Prepared Since UMRA Went Into Effect 4

Appendix A

Key Provisions in Title I of the Unfunded Mandates
Reform Act 21

Appendix B

List of Bills in 2002 That Contained Mandates 23

Appendix C

Primary Contributors to CBO's Analyses of Mandates 39

Tables

1.	Number of CBO Mandate Statements for Bills, Proposed Amendments, and Conference Reports in 2002	2
2.	Status of 2002 Mandates That Would Exceed the Statutory Thresholds	5
3.	Laws Enacted in 2002 That Contained Intergovernmental Mandates	9
4.	Laws Enacted in 2002 That Contained Private-Sector Mandates	13
5.	Number of CBO Mandate Statements for Bills, Proposed Amendments, and Conference Reports, 1996-2002	19
B-1.	Bills Reviewed by CBO in 2002 That Contained Intergovernmental Mandates	24
B-2.	Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates	29



A Review of CBO's Activities in 2002 Under the Unfunded Mandates Reform Act

Through laws and subsequent regulations, the federal government frequently requires state, local, and tribal governments and various private parties to expend resources to achieve certain goals. In many cases, those resources are not counted in the federal budget.¹ The Unfunded Mandates Reform Act of 1995 (UMRA) was enacted to focus more attention on the costs of such federal mandates. In particular, UMRA was intended to ensure that the Congress carefully weighed those costs before imposing mandates on other levels of government or the private sector and to encourage the federal government to provide financial assistance for the costs of intergovernmental mandates. To accomplish those goals, the law established a variety of procedural requirements (which are summarized in Appendix A).

One major provision in title I of UMRA requires the Congressional Budget Office (CBO) to inform Congressional committees about federal mandates in legislation. CBO must analyze all public bills that are reported by authorizing committees—and, on request, other legislative proposals—for the presence of such mandates. The law defines a mandate as any provision in legislation, statute, or regulation that would impose an enforceable duty on state, local, or tribal governments or the private sector. Duties that arise as a condition of federal assistance or from par-

ticipation in a voluntary federal program are not considered mandates.

Title I of UMRA also requires CBO to estimate the costs of federal legislation that would impose mandates on public- or private-sector entities. The agency must provide a detailed cost estimate for each bill that contains mandates whose total costs to other levels of government would be \$50 million or more in any one year or whose total costs to the private sector would be \$100 million or more in a year. (Those thresholds are in 1996 dollars and are adjusted annually for inflation. In 2002, they were \$58 million for intergovernmental mandates and \$115 million for private-sector mandates.)

This report summarizes CBO's activities under title I of UMRA during calendar year 2002 and updates data provided in the agency's six previous annual reports on that law.² It identifies which legislation before the Congress in 2002 would have imposed federal mandates on another level of government or the private sector. It also lists the bills examined by CBO last year that were found to contain mandates with costs above the relevant thresholds and notes which of those mandates were enacted into law. The report also shows trends in federal mandates considered by the Congress during the first seven years that UMRA has been in effect.

1. Two cases in which those resources are counted in the budget are revenues collected from taxes imposed by the federal government and offsetting collections, such as regulatory fees.

2. CBO's annual reports on UMRA, as well as a report covering UMRA's first five years, can be found on CBO's Web site (www.cbo.gov).

Mandate Statements Prepared in 2002

In 2002, CBO analyzed nearly 650 bills, amendments, and other legislative proposals for the presence of federal mandates and transmitted official statements about them to the Congress (see Table 1). As in the previous six years, most of that legislation did not contain federal mandates as defined by UMRA. Just 60 bills or other legislative proposals (9 percent) contained intergovernmental mandates in 2002, and 73 (11 percent) contained private-sector mandates. (Those bills and their mandates are listed in Appendix B.)

About half of the legislation with intergovernmental mandates that CBO identified in 2002 consisted of explicit preemptions of state or local authority.³ In most of those cases, the estimated costs to comply with the preemptions were not significant.

In fact, most of the legislation that contained mandates would not have imposed costs exceeding the thresholds set by UMRA. Only six (10 percent) of the bills with intergovernmental mandates would have cost state, local, and tribal governments as a whole at least \$58 million in any year, by CBO's estimate. Nineteen (26 percent) of the bills with private-sector mandates would have imposed costs of more than \$115 million in any one year.

Intergovernmental Mandates with Costs Above the Statutory Threshold

Because CBO prepares mandate statements for every public bill reported by a House or Senate authorizing committee, and because both bodies may consider the same or similar mandates in more than one piece of legislation, the number of separate mandates included in legislation is smaller than the total number of mandate statements that CBO prepared. The six statements that CBO provided in 2002 for proposed legislation containing intergovernmental mandates above the cost threshold actually identified five distinct mandates (see Table 2 on page 5):

- New requirements for public power plants to comply with emission controls,

3. For more information about preemptions, see Congressional Budget Office, *Preemptions in Federal Legislation in the 106th Congress* (June 2001).

Table 1.
Number of CBO Mandate Statements for Bills, Proposed Amendments, and Conference Reports in 2002

	Intergovernmental Mandates	Private-Sector Mandates
Total Number of Statements Transmitted	649	645
Number of Statements That Identified Mandates	60	73
Mandate costs would exceed threshold ^a	6	19
Mandate costs could not be estimated	5	14

Source: Congressional Budget Office.

Note: The numbers in this table represent official mandate statements transmitted to the Congress by CBO. The Unfunded Mandates Reform Act requires CBO to complete mandate statements for every bill and joint resolution of a public character reported by an authorizing committee. The law also requires CBO to review amendments and other legislative proposals when requested. CBO prepared a number of preliminary reviews and informal estimates for other legislative proposals that are not included in this table. Mandate statements may cover more than one mandate. Also, because the same mandate sometimes appears in multiple bills, a single mandate may be addressed in more than one CBO statement.

a. The thresholds, which are adjusted annually for inflation, were \$58 million for intergovernmental mandates and \$115 million for private-sector mandates in 2002.

- A prohibition on the interstate transmission of certain gaming wagers and the operation of some linked games by Indian tribes,
- A preemption of state premium taxes and disclosure regulations that affect health plans,
- An increase in the minimum wage, and
- A prohibition on displaying Social Security numbers on certain public documents.

Private-Sector Mandates with Costs Above the Statutory Threshold

The 19 statements that CBO provided for legislation containing private-sector mandates above the cost threshold identified 13 separate mandates (*see Table 2*):

- Limits on the size of awards that attorneys may receive in medical malpractice cases;
- A requirement that automakers install a lap- and shoulder-belt harness in the center-rear seating position of vehicles;
- New requirements for privately owned power plants to comply with emission controls;
- A requirement that depository institutions notify their customers when they give certain information to consumer reporting agencies;
- A requirement that some foods carry labels indicating their country of origin;
- An increase in the premiums that banks and savings associations pay for federal deposit insurance;
- A requirement that health insurers cover colorectal cancer screening for plan enrollees;
- An increase in the minimum wage;
- New security measures and higher fees for nuclear facilities;
- New reporting requirements for private pension plans and limits on their investments;
- A reduction in the tax-favored treatment available to U.S. corporations that reincorporate in foreign jurisdictions;
- Increases in tariff rates on steel and steel products; and
- New recordkeeping and reporting requirements for people who provide professional tax advice.

Public Laws in 2002 That Contained Mandates

The Congress and the President enacted 377 public laws in 2002. Of those, 20 contained one or more intergovernmental mandates as defined by UMRA (*see Table 3 on page 9*). For all but two of those mandates, CBO estimates that they will not impose costs on state, local, or tribal governments that exceed the \$58 million annual threshold.

CBO was unable to estimate the costs of the other two intergovernmental mandates that were enacted—one of which requires anyone possessing, using, or transferring various toxins to register with the federal government and the other of which establishes new security procedures for ports. There are various reasons that CBO sometimes cannot estimate the costs of a federal mandate; among the most common reasons are that the costs would depend on future regulations, that essential information to determine the scope and impact of the mandate is lacking, that it is unclear whom the bill's provisions would affect, and that language in UMRA is ambiguous about how to treat extensions of existing mandates.

Only two laws enacted in 2002 (the Public Health Security and Bioterrorism Preparedness and Response Act and the Sarbanes-Oxley Act) contained intergovernmental mandates that were never reviewed by CBO. In one case the bill containing the mandates was not considered by an authorizing committee, and in the other case the mandate was added to the legislation after CBO's review.

In addition, 23 of the 377 public laws enacted in 2002 contained private-sector mandates (*see Table 4 on page 13*). CBO estimates that four of them will impose mandate costs above the \$115 million annual threshold:⁴

- The Job Creation and Worker Assistance Act, which extends the requirement that health insurers cover mental health and medical benefits equally, creates tax provisions that limit nonaccrual accounting, and alters the treatment of indebtedness for S corporations;

4. Although the first two laws of the four listed were enacted in 2002, their original legislation was reviewed by CBO in 2001. Thus, they do not appear among the 13 private-sector mandates with costs over the statutory threshold that CBO identified in 2002 (which are listed at left).

- The Bipartisan Campaign Reform Act, which bans soft-money collections by national political parties;
- The Farm Security and Rural Investment Act, which requires that some foods carry labels indicating their country of origin; and
- Anton's Law, which requires automakers to install a lap- and shoulder-belt harness in the center-rear seating position of vehicles.

Six of the laws enacted in 2002 contained private-sector mandates that were reviewed by CBO but whose costs could not be determined. Those mandates involved new standards for auditing and accounting firms, regulations on manufacturers of medical devices, and a variety of homeland security matters (such as mandating extra security procedures for ports, accelerating the date by which vessels must comply with identification systems, requiring air carriers to provide additional antiterrorism training to their flight crews, requiring insurers and policyholders to pay assessments to cover the cost of federal assistance provided in connection with acts of terrorism, and temporarily exempting some National Guard members who are performing homeland security activities from certain financial obligations).

Moreover, five 2002 laws contained private-sector mandates that CBO did not review. Three of those laws (which address tax benefits for members of the clergy, public health and bioterrorism, and parity in how health insurers cover mental health benefits and medical benefits) were never considered by an authorizing committee and thus did not receive a CBO review. The other two laws contained mandates that were added after CBO had reviewed the legislation: a mandate on air carriers was added to the Homeland Security Act, and a mandate on insurers was added to the Terrorism Risk Insurance Act.

The rest of the 2002 laws containing private-sector mandates will not exceed the UMRA cost threshold, in CBO's view.

In all, almost 40 percent of the public laws with private-sector mandates enacted last year were related to antiterrorism and security in response to the attacks of September 11, 2001. All of those laws either had estimated mandate

costs below the threshold or had mandate costs that CBO could not estimate.

Mandate Statements Prepared Since UMRA Went into Effect

Since UMRA took effect in 1996, CBO has provided mandate statements for nearly every public bill reported by an authorizing committee. Most of that legislation did not contain federal mandates as UMRA defines them. Of the more than 4,000 bills and other legislative proposals that CBO reviewed from 1996 through 2002, 11 percent contained intergovernmental mandates, and 14 percent contained private-sector mandates (*see Table 5 on page 19*). Those percentages have varied slightly from year to year. Over the seven-year period, the share of bills containing mandates has ranged between 9 percent and 14 percent for intergovernmental mandates and between 11 percent and 19 percent for private-sector mandates.

For most of that period, the proportion of bills with mandate costs that exceed the UMRA thresholds has remained roughly constant. In the case of intergovernmental mandates above the threshold, that share has held steady at about 1 percent a year since 1998 (falling slightly below half a percent in 2000). In the case of private-sector mandates, the proportion of bills containing mandates with costs over the threshold has been about 3 percent a year since 1998. (Two years since then are exceptions: in 2000, only 1 percent of the bills reviewed by CBO had private-sector mandates with costs above the threshold; and in 2001, the total number of bills reviewed was well below average, but the number with mandates remained roughly constant at about 18 bills, amounting to 5 percent of the bills reviewed.)⁵

In addition, in each year since 1997, CBO has been unable to estimate mandate costs for about 1 percent of the bills reviewed for intergovernmental mandates and 1 percent to 2 percent of the bills reviewed for private-sector mandates.

5. Typically, the number of bills considered by committee is larger in the second session of a Congress (such as in 1998, 2000, and 2002) than in the first session. The Congress considered an unusually small number of bills in the first session of the 107th Congress (in 2001), probably for several reasons, including the events of September 11, 2001.

Table 2.

Status of 2002 Mandates That Would Exceed the Statutory Thresholds

Topic	Mandate	Was a Version Enacted into Law?	Did the Enacted Version Exceed the Threshold?
Intergovernmental Mandates with Costs Above the Statutory Threshold^a			
Clean Power	Requires public power plants to comply with new emission controls	No	n.a.
Gambling Reform	Prohibits interstate transmission of certain gaming wagers and the operation of some linked games by Indian tribes	No	n.a.
Medicare Modernization and Prescription Drugs	Preempts state premium taxes and disclosure regulations that affect health plans	No	n.a.
Minimum Wage	Requires state and local governments as employers to pay a higher minimum wage	No	n.a.
Social Security Number Protection	Prohibits display of Social Security numbers on certain public documents	No	n.a.
Private-Sector Mandates with Costs Above the Statutory Threshold^a			
Attorney Fees in Malpractice Cases	Limits the size of the awards that attorneys may receive in medical malpractice cases	No	n.a.
Child Passenger Protection	Requires a lap- and shoulder-belt harness in the center-rear seating position of automobiles	Yes (P.L. 107-318) ^b	Yes
Clean Power	Limits emissions of carbon dioxide, sulfur dioxide, and nitrogen oxide from large electricity generators; requires coal-fired facilities to reduce mercury emissions; eliminates current exemptions for certain coal-fired facilities from adopting BACT	No	n.a.
Consumer Notification of Adverse Credit Information	Requires depository institutions to notify customers of information furnished to a consumer reporting agency that may adversely affect the customers' interests	No	n.a.
Country-of-Origin Labeling	Requires notification and labels on certain foods indicating their country of origin	Yes (P.L. 107-171) ^b	Yes

(Continued)

Table 2.**Status of 2002 Mandates That Would Exceed the Statutory Thresholds
(Continued)**

Topic	Mandate	Was a Version Enacted into Law?	Did the Enacted Version Exceed the Threshold?
Private-Sector Mandates with Costs Above the Statutory Threshold^a (Continued)			
Federal Deposit Insurance Reform	Increases federal deposit insurance coverage for most insured accounts, which would require banks and savings associations to pay higher insurance premiums	No	n.a.
Health Insurance Coverage for Cancer Screening	Requires group health plans and health insurance issuers to provide coverage of colorectal cancer screening for certain plan enrollees	No	n.a.
Minimum Wage	Requires employers covered by the Fair Labor Standards Act to pay a higher minimum wage	No	n.a.
Nuclear Security	Requires new security measures at sensitive nuclear facilities, effectively raising fees for licensees; expands the system for licensing sensitive radioactive materials	No	n.a.
Pension Security	Makes numerous changes to the Employee Retirement Income Security Act of 1974 that would affect the operations of private pension plans, including new reporting requirements and limits on certain investments	No	n.a.
Reversing the Expatriation of Profits Offshore	Eliminates some of the tax-favored treatment afforded to transactions of corporations that were previously incorporated in the United States and have reincorporated in foreign jurisdictions	No	n.a.
Steel Imports	Increases tariff rates for importers of steel and steel products in 2006	No	n.a.
Tax Shelter Transparency	Imposes recordkeeping and reporting requirements on certain types of transactions and requires people who provide professional advice for such transactions to submit returns	No	n.a.

(Continued)

Table 2.

Status of 2002 Mandates That Would Exceed the Statutory Thresholds
(Continued)

Topic	Mandate	Was a Version Enacted into Law?	Did the Enacted Version Exceed the Threshold?
Intergovernmental Mandates with Costs That Could Not Be Estimated			
Port and Maritime Security	Requires public port authorities to improve security procedures and infrastructure	Yes (P.L. 107-295) ^b	Uncertain
Lawful Commerce in Arms	Prohibits states from suing certain manufacturers and sellers of firearms and ammunition	No	n.a.
Work, Opportunity, and Responsibility for Kids	Sets new requirements for states as administrators of the Child Support Enforcement program	No	n.a.
Online Privacy	Requires certain public entities to comply with new procedures for collecting, using, and disclosing some personal data	No	n.a.
Private-Sector Mandates with Costs That Could Not Be Estimated			
Accounting and Auditing Reform	Establishes new oversight board, sets new standards, and imposes regulatory fees; prohibits company owners and officers from selling stock issued by that company during certain periods	Yes (P.L. 107-204) ^b	Uncertain
Antiterrorism Training for Flight Crews	Requires air carriers to provide additional training to their flight and cabin crews	Yes (P.L. 107-296) ^b	Uncertain
Customs User Fees	Extends the government's authority to collect certain customs user fees	No	n.a.
Identity-Theft Protection	Prohibits the display, sale, or purchase of someone's Social Security number without that person's consent; requires businesses that accept credit cards to truncate card numbers on electronically printed receipts	No	n.a.
Imports from Vietnam	Increases tariff rates for importers of goods from Vietnam	No	n.a.
Medical Device User Fee	Requires manufacturers of medical devices to comply with certain labeling standards and application procedures and to pay fees to the Food and Drug Administration	No	n.a.

(Continued)

Table 2.**Status of 2002 Mandates That Would Exceed the Statutory Thresholds
(Continued)**

Topic	Mandate	Was a Version Enacted into Law?	Did the Enacted Version Exceed the Threshold?
Private-Sector Mandates with Costs That Could Not Be Estimated (Continued)			
Online Personal Privacy	Prohibits Internet and online service providers and commercial Web sites from collecting or disclosing personal information from an Internet user without the user's consent	No	n.a.
Patient Safety	Requires the manufacturer, packager, or labeler of any drug or biological product that is subject to regulation by the Food and Drug Administration to include a unique product identifier on the packaging	No	n.a.
Port and Maritime Security	Requires port authorities to improve security procedures and infrastructure	Yes (P.L. 107-295) ^b	Uncertain
Protection of Commerce in Arms	Prohibits parties from suing certain manufacturers or sellers of firearms when their products are used unlawfully	No	n.a.
Vessel Identification	Accelerates the date by which certain types of vessels operating in U.S. waters must install automatic identification systems	Yes (P.L. 107-295) ^b	Uncertain
Veterans' Benefits	Temporarily exempts some National Guard members who are performing homeland security activities from certain financial obligations	Yes (P.L. 107-330) ^b	Uncertain

Source: Congressional Budget Office.

Notes: The mandates in this table are those identified by the Congressional Budget Office when a bill was reported by an authorizing or conference committee or when CBO was asked to do a formal review. In some cases, more than one formal CBO mandate statement was issued for a mandate topic.

n.a. = not applicable; BACT = best available control technology (as prescribed by the Environmental Protection Agency).

a. The thresholds, which are adjusted annually for inflation, were \$58 million for intergovernmental mandates and \$115 million for private-sector mandates in 2002.

b. Public Law 107-171, the Farm Security and Rural Investment Act of 2002, enacted May 13, 2002.

Public Law 107-204, the Sarbanes-Oxley Act of 2002, enacted July 30, 2002.

Public Law 107-295, the Maritime Transportation Security Act of 2002, enacted November 25, 2002.

Public Law 107-296, the Homeland Security Act of 2002, enacted November 25, 2002.

Public Law 107-318, Anton's Law, enacted December 4, 2002.

Public Law 107-330, the Veterans Benefits Act of 2002, enacted December 6, 2002.

Table 3.

Laws Enacted in 2002 That Contained Intergovernmental Mandates

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-180	Criminal Justice Coordinating Council Restructuring Act of 2002	Requires the District of Columbia Criminal Justice Coordinating Council to prepare annual report	Yes	No
107-188	Public Health Security and Bioterrorism Preparedness and Response Act of 2002	Preempts state laws that conflict with quarantine requirements for communicable diseases	No	No
		Requires registration with the federal government of the possession, use, and transfer of listed agents and toxins	No	Uncertain
		Requires assessments of water supplies in communities of more than 3,300 people	No	Funded
		Extends prescription drug application fees	No	No
107-200	Joint resolution approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982	Approves the placement of a nuclear waste site in Nevada (additional costs to Nevada and neighboring states could result from existing federal mandates)	Yes	No
107-204	Sarbanes-Oxley Act of 2002	Allows the Public Company Accounting Oversight Board to conduct operations and maintain offices in any state without regard to any conflicting state law	No	No
107-219	An act to rename Wolf Trap Farm Park as "Wolf Trap National Park for the Performing Arts," and for other purposes	Renames Wolf Trap Farm Park and requires Virginia to erect signs referring to the park by its new full name	Yes	No
107-220	An act to amend the Public Health Service Act to redesignate a facility as the National Hansen's Disease Programs Center, and for other purposes	Places requirements on manufacturers of medical devices	Yes	No

(Continued)

Table 3.**Laws Enacted in 2002 That Contained Intergovernmental Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold?^a
107-224	John F. Kennedy Center Plaza Authorization Act of 2002	Allows the Mayor of the District of Columbia to dispose of property without City Council approval; allows the U.S. Secretary of Transportation to require the District to reconfigure streets in the Kennedy Center construction area; may require the District to transfer air or property rights to the construction project	Yes	No
107-231	National Construction Safety Team Act	Requires public entities, if subpoenaed, to provide testimony and evidence related to matters that the National Construction Safety Team would be empowered to investigate	Yes	No
107-250	Medical Device User Fee and Modernization Act of 2002	Gives the Secretary of Health and Human Services the authority to collect user fees from manufacturers of medical devices to defray the cost of reviewing applications for approval to market those devices	Yes	No
		Requires manufacturers of medical devices to comply with certain labeling and notification conventions and to submit their registrations electronically	Yes	No
107-251	Health Care Safety Net Amendments of 2002	Preempts state statutes of limitations in cases in which the beneficiary of a medical loan fails to make payments	Yes	No
107-273	21st Century Department of Justice Appropriations Authorization Act	Eliminates federal interest payments to states related to costs for incarcerating illegal aliens	Yes	No

(Continued)

Table 3.**Laws Enacted in 2002 That Contained Intergovernmental Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-295	Maritime Transportation Security Act of 2002	Requires port and maritime terminal authorities to establish comprehensive transportation security programs if the Coast Guard conducts a vulnerability assessment; requires vessels and port owners and operators to use and check federal transportation identification cards if the port is designated as a secure area (federal grants could offset up to 75 percent of the state and local costs of those mandates)	Yes	Uncertain
107-296	Homeland Security Act of 2002	Preempts state or local laws to the extent that they require disclosure of information or records	Yes	No
		Preempts state liability laws in cases involving alleged negligence related to smallpox vaccines	Yes	No
107-297	Terrorism Risk Insurance Act of 2002	Nullifies any terrorism exclusion in a contract for property and casualty insurance; that nullification preempts any previous state approval of insurance with terrorism exclusions	Yes	No
		Preempts any state definition of an "act of terrorism" that is inconsistent with the federal definition; requires insurers to disclose books and records to the Secretary of the Treasury, notwithstanding state laws to the contrary	Yes	No
		Creates an exclusive federal cause of action for losses resulting from an act of terrorism; preempts all state causes of action	Yes	No
107-298	Real Interstate Driver Equity Act of 2002	Exempts ground transportation carriers that provide prearranged service from state licensing and fee requirements as long as the carriers are properly licensed in their home states and meet all federal interstate transportation requirements	Yes	No

(Continued)

Table 3.**Laws Enacted in 2002 That Contained Intergovernmental Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-306	Intelligence Authorization Act for Fiscal Year 2003	Requires public entities, if subpoenaed, to provide testimony and evidence to the National Commission on Terrorist Attacks upon the United States; preempts state and local laws that would require a government body to disclose information	Yes	No
107-319	An act to amend the Consumer Product Safety Act to provide that low-speed electric bicycles are consumer products subject to such act	Preempts state laws and regulations governing low-speed electric bicycles that are more stringent than regulations established by the Consumer Product Safety Commission	Yes	No
107-330	Veterans Benefits Act of 2002	Temporarily exempts some National Guard members who are performing homeland security activities from certain financial obligations	Yes	No
107-331	Indian Financing Amendments Act of 2002	Extinguishes outstanding legal claims of the Cherokee, Choctaw, and Chickasaw nations	Yes	No
107-355	Pipeline Safety Improvement Act of 2002	Requires operators of natural gas pipelines to adhere to minimum safety standards, provide whistleblower protection for employees, create an employee qualification program, honor orders by the Department of Transportation to correct unsafe conditions, conduct facility risk analyses, develop an integrity management program, create a terrorism security plan, and provide mapping data	Yes	No

Source: Congressional Budget Office.

a. The threshold for intergovernmental mandates, which is adjusted annually for inflation, was \$58 million in 2002.

Table 4.**Laws Enacted in 2002 That Contained Private-Sector Mandates**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-109	Best Pharmaceuticals for Children Act	Extends by six months the period in which drug manufacturers are prohibited from marketing generic versions of certain drugs	Yes	No
		Repeals waiver of user fees for all applications for pediatric supplements	Yes	No
		Requires drug manufacturers to revise labeling of drugs on the basis of findings from pediatric studies	Yes	No
107-147	Job Creation and Worker Assistance Act of 2002	Extends the mandate requiring private group health plans and health insurance issuers to cover mental health and medical benefits equally	Yes	Yes
		Creates a program of health insurance premium support that would increase the cost of an existing mandate on private-sector employers	No	No
		Creates tax provisions that limit non-accrual accounting and alter the treatment of indebtedness for S corporations	Yes	Yes
107-155	Bipartisan Campaign Reform Act of 2002	Places restrictions on the use of "soft money" by national party committees, state political parties, and candidates	Yes	Yes
		Requires additional reporting by national and Congressional committees and candidates	Yes	No
		Prohibits certain campaign fundraising; restricts contributions from minors and foreign nationals	Yes	No
107-171	Farm Security and Rural Investment Act of 2002	Imposes new assessments on importers of dairy products and U.S. producers of cane berries; allows the Department of Agriculture to expand reporting requirements for manufacturers and storsers of dairy products	Yes	No

(Continued)

Table 4.**Laws Enacted in 2002 That Contained Private-Sector Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold?^a
107-171	Farm Security and Rural Investment Act of 2002 (Continued)	Requires notification and labels on certain foods indicating their country of origin	Yes	Yes
		Prohibits transportation of live birds for the purpose of fighting	Yes	No
107-173	Enhance Border Security and Visa Entry Reform Act of 2002 ^b	Requires manifests for arriving and departing commercial vessels or aircraft	Yes	No
		Increases fees for certain visas	Yes	No
107-181	Clergy Housing Allowance Clarification Act of 2002	Restricts the amount of rental-allowance income that members of the clergy may exclude for tax purposes to no more than the fair rental value of the home (including furnishings) plus utilities	No	No
107-188	Public Health Security and Bioterrorism Preparedness and Response Act of 2002	Requires registration with the federal government of the possession, use, and transfer of listed agents and toxins	No	Uncertain
		Requires that certain facilities engaged in manufacturing, possessing, packing, or holding food for consumption in the United States register with the Department of Agriculture	No	Uncertain
		Requires that if a food has been refused admission into the United States, owners or consignees of the food must affix a label stating such on the container	No	Uncertain
		Requires importers of certain drugs and their devices to register annually with the federal government	No	Uncertain
		Allows prescription drug application fees to be raised under certain conditions	No	Uncertain

(Continued)

Table 4.**Laws Enacted in 2002 That Contained Private-Sector Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-204	Sarbanes-Oxley Act of 2002	Establishes the Public Company Accounting Oversight Board to regulate the accounting industry and a standard-setting body to write national standards for accounting practices; the two regulatory bodies will assess fees on public companies to cover their costs	Yes	Uncertain
		Requires auditors and audit committees of public companies to comply with new standards	Yes	Uncertain
		Prohibits insider trades of stock during pension fund blackout periods if the stock was acquired in connection with service as a director or executive officer	Yes	Uncertain
		Requires pension plan administrators to notify plan participants, beneficiaries, and the insurer of employer securities of an impending blackout period	Yes	No
		Requires public corporations to make enhanced financial disclosures to the Securities and Exchange Commission	Yes	Uncertain
107-210	Trade Act of 2002 ^b	Requires land, air, or vessel carriers to transmit cargo manifest information electronically before entering the United States or clearing customs	Yes	No
		Increases compliance cost of existing requirement to provide health insurance for certain separated workers	Yes	No
107-221	Fort Clatsop National Memorial	Authorizes the National Park Service to acquire certain corporately owned timberlands by condemnation because title to the property is not clear	Yes ^c	No
107-228	Foreign Relations Authorization Act, Fiscal Year 2003	Requires exporters or their agents not covered under current regulations to file export declarations through the Automated Export System	Yes	No

(Continued)

Table 4.**Laws Enacted in 2002 That Contained Private-Sector Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-231	National Construction Safety Team Act	Requires private entities, if subpoenaed, to provide testimony and evidence related to matters that the National Construction Safety Team would be empowered to investigate	Yes	No
107-250	Medical Device User Fee and Modernization Act of 2002	Gives the Secretary of Health and Human Services the authority to collect user fees from manufacturers of medical devices to defray the cost of reviewing applications for approval to market those devices	Yes	No
		Requires manufacturers of medical devices to comply with certain labeling and notification conventions and to submit their registrations electronically	Yes	Uncertain
107-273	21st Century Department of Justice Appropriation Authorizations Act	Limits access to body armor by violent felons	Yes	No
		Waives copyright infringement rules for educators who teach long-distance classes over the Internet and thus restricts copyright owners from receiving compensation for such use by educators	Yes	No
		Provides that contract disputes between motor vehicle manufacturers and dealers can be resolved by arbitration only after both parties agree to arbitration as a means of settling the dispute	Yes	No
107-295	Maritime Transportation Security Act of 2002 ^b	Requires port and maritime terminal authorities to establish comprehensive transportation security programs if the Coast Guard conducts a vulnerability assessment	Yes	Uncertain
		Accelerates the date by which certain types of vessels operating in U.S. waters must install automatic identification systems	Yes	Uncertain
107-296	Homeland Security Act of 2002 ^b	Requires air carriers to provide additional training to their flight and cabin crews	Yes	Uncertain

(Continued)

Table 4.**Laws Enacted in 2002 That Contained Private-Sector Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold? ^a
107-296	Homeland Security Act of 2002 ^b (Continued)	Requires air carriers to provide flight attendants with a method of communicating with pilots	No	Uncertain
		Requires manufacturers and importers of explosive materials to furnish samples to the Bureau of Alcohol, Tobacco, and Firearms; imposes new licensing and reporting requirements for people handling explosive materials	Yes	No
107-297	Terrorism Risk Insurance Act of 2002 ^b	Requires insurers and policyholders of commercial property and casualty insurance to pay assessments and surcharges for repayment of the federal financial assistance provided in connection with all acts of terrorism	Yes	Uncertain
		Requires insurers of commercial property to offer terrorism insurance	No	Uncertain
107-306	Intelligence Authorization Act for Fiscal Year 2003 ^b	Requires private entities, if subpoenaed, to provide testimony and evidence to the National Commission on Terrorist Attacks upon the United States	Yes	No
107-313	Mental Health Parity Reauthorization Act of 2002	Amends the Employee Retirement Income Security Act and Public Health Service Act to extend mental health parity provisions through 2003	No	Uncertain
107-318	Anton's Law	Requires manufacturers of passenger motor vehicles to install lap- and shoulder-belt harnesses in the rear seats of certain vehicles	Yes	Yes
107-330	Veterans Benefits Act of 2002 ^b	Temporarily exempts some National Guard members who are performing homeland security activities from certain financial obligations	Yes	Uncertain

(Continued)

Table 4.**Laws Enacted in 2002 That Contained Private-Sector Mandates (Continued)**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed the Threshold?^a
107-331	Indian Financing Amendments Act of 2002	Prohibits anyone from condemning certain land owned in fee by the Pechanga band until the Secretary of the Interior renders a final decision on the band's pending application to transfer that land into a trust and until final decisions have been made about all appeals relating to that application	Yes	No
		Limits the fees payable to attorneys under contract with the Cherokee, Choctaw, and Chickasaw nations to 10 percent of the funds allocated by the government to each of those nations	Yes	No
107-355	Pipeline Safety Improvement Act of 2002 ^b	Requires operators of natural gas and hazardous-liquid pipelines to adhere to minimum safety standards, provide whistleblower protection for employees, create an employee qualification program, honor orders by the Department of Transportation to correct unsafe conditions, conduct facility risk analyses, develop an integrity management program, create a terrorism security plan, and provide mapping data	Yes	No

Source: Congressional Budget Office.

a. The threshold for private-sector mandates, which is adjusted annually for inflation, was \$115 million in 2002.

b. Public law related to antiterrorism and security enacted in response to the attacks of September 11, 2001.

c. If the National Park Service uses the condemnation authority contained in the law, the legislation will impose a private-sector mandate as defined by UMRA.

Table 5.

**Number of CBO Mandate Statements for Bills, Proposed Amendments,
and Conference Reports, 1996-2002**

	1996 ^a	1997	1998	1999	2000	2001	2002	Total, 1996- 2002
Intergovernmental Mandates								
Total Number of Statements Transmitted	718	521	541	573	706	389	649	4,097
Number of Statements That Identified Mandates	69	64	64	81	77	50	60	465
Mandate costs would exceed threshold ^b	11	8	6	4	3	4	6	42
Mandate costs could not be estimated	6	7	7	0	1	3	5	29
Private-Sector Mandates								
Total Number of Statements Transmitted	673	498	525	556	697	389	645	3,983
Number of Statements That Identified Mandates	91	65	75	105	86	66	73	561
Mandate costs would exceed threshold ^b	38	18	18	20	6	18	19	137
Mandate costs could not be estimated	2	5	9	13	7	8	14	58

Source: Congressional Budget Office.

Note: The numbers in this table represent official mandate statements transmitted by CBO to the Congress. CBO prepared more intergovernmental mandate statements than private-sector mandate statements because in some cases it was asked to review a specific bill, amendment, or conference report solely for intergovernmental mandates. (In those cases, no private-sector analysis was transmitted to the requesting Member or committee.) CBO also completed a number of preliminary reviews and informal estimates for other legislative proposals that are not included in this table. Mandate statements may cover more than one mandate. Also, because the same mandate sometimes appears in multiple bills, a single mandate may be addressed in more than one CBO statement.

- a. CBO began preparing mandate statements in January 1996 in the middle of the 104th Congress. The figures for 1996 reflect bills on the calendar in January 1996 and bills reported by authorizing committees thereafter.
- b. The thresholds, which are adjusted annually for inflation, were \$50 million for intergovernmental mandates and \$100 million for private-sector mandates in 1996. They rose to \$58 million and \$115 million, respectively, in 2002.
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A

Key Provisions in Title I of the Unfunded Mandates Reform Act

Title I of the Unfunded Mandates Reform Act of 1995 (UMRA) attempts to ensure that the Congress has information about the potential direct costs of federal mandates before enacting legislation. UMRA requires the Congressional Budget Office (CBO) and Congressional authorizing committees to develop and report information about the existence and costs of mandates in proposed legislation. The law also establishes mechanisms to bring that information to the attention of the Congress before legislation is considered on the floor of the House or Senate.

Defining Mandates and Their Costs

UMRA defines federal mandates narrowly: as any provision in legislation, statute, or regulation that would impose an *enforceable duty* on state, local, or tribal governments or the private sector or that would reduce or eliminate the amount of funding authorized to cover the costs of existing mandates. Duties that are imposed as a condition of federal assistance or that arise from participation in a voluntary federal program are not considered mandates under UMRA. In the case of some large entitlement programs (in which \$500 million or more is provided annually to state, local, or tribal governments), a new condition on or a reduction in federal assistance is considered a mandate only if other levels of government lack the flexibility to offset the new costs or the loss of federal funding with reductions elsewhere in the program.

The scope of UMRA is further narrowed by the fact that the law's procedures do not apply to legislative provisions that deal with constitutional rights, discrimination, emergency aid, accounting and auditing procedures for grants, national security, treaty ratification, and title II of Social Security (Old-Age, Survivors, and Disability Insurance benefits).

UMRA defines direct costs as amounts that mandated entities—governmental or private-sector—would be required to spend to comply with the enforceable duty, including amounts that states, localities, and tribes “would be prohibited from raising in revenues.” Direct costs exclude amounts that mandated entities would spend to comply with applicable laws, regulations, or professional standards in effect when the federal mandate is adopted. In addition, direct costs must be offset by direct savings to the mandated entities that would result from compliance with the mandate or by savings from other provisions of the same legislation that govern the same activity that is affected by the mandate.

Mandate Cost Statements: CBO's Role

UMRA requires CBO to provide a statement to Congressional authorizing committees about whether reported bills contain federal mandates. If the total direct costs of all mandates in a bill are above a specified threshold in any of the first five fiscal years in which the mandates are

effective, CBO must provide an estimate of those costs (if feasible) and the basis of its estimate. The statutory thresholds are \$50 million for intergovernmental mandates and \$100 million for private-sector mandates in 1996 dollars, adjusted yearly for inflation.

The CBO mandate statement must also include an assessment of whether the bill authorizes or otherwise provides funding to cover the costs of any new federal mandate. In the case of intergovernmental mandates, the statement must, under certain circumstances, estimate the appropriations needed to fund such authorizations for up to 10 years after the mandate takes effect.

Authorizing committees must publish CBO's mandate statements in their reports or in the *Congressional Record* before a bill is considered on the floor of the House or Senate. Conference committees must, "to the greatest extent practicable," ensure that CBO prepares statements for conference agreements or amended bills if they contain mandates not previously considered by either House or if they impose greater direct costs than the version considered earlier. At the request of a Senator, CBO must estimate the costs of intergovernmental mandates contained in an amendment the Senator may wish to offer.

The Congress may also call on CBO to prepare analyses at other stages of the legislative process. If asked by the Chairman or Ranking Member of a committee, CBO will help committees analyze the impact of proposed legislation, conduct special studies of legislative proposals, or compare a federal agency's estimate of the costs of proposed regulations to implement a federal mandate with CBO's estimate made when the law was enacted.

Enforcement Mechanisms

Section 425 of UMRA sets out rules for both the House and Senate that prohibit them from considering legislation unless certain conditions are met. For all reported legislation, consideration is not "in order" unless the committee has published a CBO mandate statement. (That is, UMRA prohibits the consideration of a reported bill unless the committee has published a CBO statement about the costs of any mandates.)

For reported legislation that contains intergovernmental mandates with direct costs above the UMRA threshold, the rules preclude consideration unless the legislation provides direct spending authority or authorizes appropriations sufficient to cover those costs. An authorization of appropriations will not be sufficient unless the authorized amounts are specified for each year (up to 10 years) after the effective date of the mandates and the legislation provides a way to terminate or scale back the mandates if the federal agency determines that the appropriated funds are not sufficient to cover those costs.

Finally, although UMRA does not specifically require CBO to analyze the cost of mandates in appropriation bills, considering legislative provisions in such bills—or amendments to them—that increase the direct costs of intergovernmental mandates is not in order unless an appropriate CBO mandate statement is available.

Those rules are not self-enforcing, however; a Member must raise a point of order to enforce them. In the House, if a Member raises a point of order, the full House votes on whether to consider the bill regardless of whether there is a violation. In the Senate, if a point of order is raised, the bill may not be considered unless either the Senate waives the point of order or the chair of the Senate overrules it.

B**List of Bills in 2002 That Contained Mandates**

This appendix expands on the information provided in the main text and in earlier tables by listing legislation reviewed by the Congressional Budget Office in 2002 that would impose federal mandates, regardless of whether the estimated costs of those mandates would be more or less than the thresholds and regardless of whether the legisla-

tion was enacted. *Table B-1* lists bills with intergovernmental mandates in numerical order, including various versions of the same bill considered by different committees. *Table B-2* provides the same information for bills with private-sector mandates.

Table B-1.**Bills Reviewed by CBO in 2002 That Contained Intergovernmental Mandates**

Bill Number (Committee)	Name	Mandate
Intergovernmental Mandates with Costs Above the Statutory Threshold^a		
H.R. 3215	Combating Illegal Gambling Reform and Modernization Act	Prohibits interstate transmission of bets and the operation of certain linked games by Indian tribes
H.R. 4954 (Ways and Means)	Medicare Modernization and Prescription Drug Act of 2002	Preempts various state laws, including premium taxes and disclosure regulations
H.R. ----- (Energy and Commerce)	Medicare Modernization and Prescription Drug Act of 2002	Preempts various state laws, including premium taxes and disclosure regulations
S. 556	Clean Power Act of 2002	Requires public power plants to comply with new emission controls
S. 848	Social Security Number Misuse Prevention Act of 2002	Prohibits display of Social Security numbers on certain public documents
S. 2538	Fair Minimum Wage Act of 2002	Requires state and local governments as employers to pay a higher minimum wage
Intergovernmental Mandates with Costs Below the Statutory Threshold^a		
H.R. 521	An act to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure of Guam	Preempts the authority of the Guam legislature to establish the structure of the local judiciary
H.R. 1448 (Judiciary)	An act to clarify the tax treatment of bonds and other obligations issued by the government of American Samoa	Exempts bonds issued by American Samoa from state, local, and territorial taxes
H.R. 1448 (Resources)	An act to clarify the tax treatment of bonds and other obligations issued by the government of American Samoa	Exempts bonds issued by American Samoa from state, local, and territorial taxes
H.R. 1701 (Financial Services)	Consumer Rental Purchase Agreement Act	Preempts state laws inconsistent with new federal regulations for rental-purchase agreements
H.R. 1701 (Judiciary)	Consumer Rental Purchase Agreement Act	Preempts state laws inconsistent with new federal regulations for rental-purchase agreements
H.R. 2305	Criminal Justice Coordinating Council Restructuring Act of 2002	Requires a new report from the District of Columbia

(Continued)

Table B-1.**Bills Reviewed by CBO in 2002 That Contained Intergovernmental Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold^a (Continued)		
H.R. 2440	An act to rename Wolf Trap Farm Park as “Wolf Trap National Park for the Performing Arts,” and for other purposes	Requires the state of Virginia to post new signs referring to Wolf Trap by its new full name
H.R. 2546	Real Interstate Driver Equity Act of 2001	Preempts state laws requiring dual licensing of limousine drivers
H.R. 3479	National Aviation Capacity Expansion Act of 2002	Preempts the authority of Illinois to regulate activities at O'Hare Airport; requires Chicago to mitigate noise around the airport
H.R. 3482	Cyber Security Enhancement Act of 2002	Requires state and local agencies to report to the federal government their receipt of disclosure forms from providers of electronic services
H.R. 3534	Cherokee, Choctaw, and Chickasaw Nations Claims Settlement Act	Extinguishes outstanding legal claims of the Cherokee, Choctaw, and Chickasaw nations
H.R. 3580	Medical Device User Fee and Modernization Act	Requires manufacturers of medical devices (including state and local governments) to pay fees and comply with other requirements
H.R. 3609	Pipeline Infrastructure Protection to Enhance Security and Safety Act	Imposes new user fees and operating and safety requirements on pipeline operators
H.R. 3717	Federal Deposit Insurance Reform Act of 2002	Preempts state laws regarding statutes of limitations
H.R. 3951 (Financial Services)	Financial Services Regulatory Relief Act of 2002	Preempts state contract and securities laws; requires state regulators to furnish a report
H.R. 3951 (Judiciary)	Financial Services Regulatory Relief Act of 2002	Preempts state contract and securities laws; requires state regulators to furnish a report
H.R. 4125	Federal Courts Improvement Act of 2002	Eliminates existing exemption from federal jury duty for certain state and local employees
H.R. 4466	National Transportation Safety Board Reauthorization Act of 2002	Says that states cannot block organizations from providing assistance to certain victims of rail accidents

(Continued)

Table B-1.

**Bills Reviewed by CBO in 2002 That Contained Intergovernmental Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold^a (Continued)		
H.R. 4600 (Energy and Commerce)	Help Efficient, Accessible, Low-Cost, Timely Healthcare Act	Preempts state laws that provide less liability protection than the bill would
H.R. 4600 (Judiciary)	Help Efficient, Accessible, Low-Cost, Timely Healthcare Act	Preempts state laws that provide less liability protection than the bill would
H.R. 4635	Arming Pilots Against Terrorism Act	Preempts state firearms laws as they relate to pilots carrying firearms as federal officers
H.R. 4687	National Construction Safety Team Act	Subjects public entities to subpoenas
H.R. 4889	Patient Safety Improvement Act of 2002	Preempts state freedom-of-information laws
H.R. 5005	Homeland Security Act of 2002	Requires airports to give notice if they cannot install an explosive-detection system as required by law; preempts state jurisdiction over some liability cases
H.R. 5012	John F. Kennedy Center Plaza Authorization Act of 2002	Preempts the authority of the District of Columbia to dispose of city property; may require the city to alter its highway system
H.R. 5422	Child Abduction Prevention Act	Expands existing mandate by increasing reporting requirements
H.R. 5478	Patient Safety and Quality Improvement Act	Preempts state freedom-of-information laws and limits other employer actions
S. 351	Mercury Reduction Act of 2002	Prohibits the sale of mercury thermometers without a prescription
S. 630	Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2002	Preempts state and local laws regulating unsolicited commercial e-mail
S. 710	Eliminate Colorectal Cancer Act of 2002	Requires certain state and local health plans to provide colorectal cancer screening; preempts some state laws
S. 1209	Trade Adjustment Assistance for Workers, Farmers, Communities, and Firms Act of 2001	Requires states to implement a trade-adjustment assistance program; preempts state and local authority to make certain determinations about eligibility for public benefits

(Continued)

Table B-1.**Bills Reviewed by CBO in 2002 That Contained Intergovernmental Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold^a (Continued)		
S. 1284	Employment Non-Discrimination Act of 2002	Prohibits employers from discriminating on the basis of sexual orientation
S. 1602	Chemical Security Act of 2002	Requires operators of certain facilities to take actions to protect against chemical releases
S. 1742	Identity Theft Victims Assistance Act of 2002	Preempts state laws that prohibit the disclosure of certain financial information to third parties
S. 1746	Nuclear Security Act of 2002	Requires new security procedures and standards at nuclear facilities
S. 1867	An act to establish the National Commission on Terrorist Attacks Upon the United States, and for other purposes	Requires state and local governments to respond to subpoenas
S. 1991	National Defense Rail Act	Requires states to maintain information on railway-highway crossings
S. 2039	National Aviation Capacity Expansion Act of 2002	Preempts the authority of Illinois to regulate activities at O'Hare Airport; requires Chicago to mitigate noise around the airport
S. 2237	Veterans Benefits Improvement Act of 2002	Extends federal protections to certain members of the National Guard
S. 2329	Ship, Seafarer, and Container Security Act	Accelerates the date by which certain types of publicly owned vessels operating in U.S. waters must install automatic identification systems
S. 2452	National Homeland Security and Combating Terrorism Act of 2002	Prohibits state and municipal employers from dismissing workers for disclosing violations of federal law
S. 2480	Law Enforcement Officers Safety Act of 2002	Preempts state and local laws that prohibit the carrying of concealed weapons
S. 2506 (Armed Services)	Intelligence Authorization Act for Fiscal Year 2003	Requires state and local governments to respond to subpoenas
S. 2506 (Intelligence)	Intelligence Authorization Act for Fiscal Year 2003	Requires state and local governments to respond to subpoenas

(Continued)

Table B-1.

**Bills Reviewed by CBO in 2002 That Contained Intergovernmental Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold^a (Continued)		
S. 2550	Professional Boxing Amendments Act of 2002	Requires state and tribal boxing commissions to comply with new guidelines
S. 2673	Public Company Accounting Reform and Investor Protection Act of 2002	Preempts state authority to license and regulate an oversight board as a nonprofit corporation
S. 2771	John F. Kennedy Center Plaza Authorization Act of 2002	Preempts the authority of the District of Columbia to dispose of city property; may require the city to alter its highway system
S. 2823	An act to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure of Guam	Preempts the authority of the Guam legislature to establish the structure of the local judiciary
S. 3054	No Taxation Without Representation Act of 2002	Requires the District of Columbia to hold elections for Senate and House seats
Intergovernmental Mandates with Costs That Could Not Be Estimated		
H.R. 2037 (Commerce, Science, and Transportation)	Protection of Lawful Commerce in Arms Act	Prohibits state, local, or tribal governments from entering into lawsuits against gun manufacturers
H.R. 2037 (Judiciary)	Protection of Lawful Commerce in Arms Act	Prohibits state, local, or tribal governments from entering into lawsuits against gun manufacturers
H.R. 3983	Maritime Transportation Antiterrorism Act of 2002	Requires public port authorities to upgrade security procedures and infrastructure
H.R. 4737	Work, Opportunity, and Responsibility for Kids Act of 2002	Reduces the amount of money states may retain from child support collections; prohibits states from using the child support enforcement system to collect costs paid for by Medicaid
S. 2201	Online Personal Privacy Act	Preempts certain state laws regulating Internet privacy and disclosure; may require state and local governments to comply with new rules regarding the collection and use of personal information

Source: Congressional Budget Office.

a. The threshold for intergovernmental mandates, which is adjusted annually for inflation, was \$58 million in 2002.

Table B-2.**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Above the Statutory Threshold^a		
H.J. Res. 84	A resolution disapproving the action taken by the President under section 203 of the Trade Act of 1974	Increases tariff rates for importers of steel and steel products in 2006
H.R. 7	CARE Act of 2002	Extends customs user fees; amends tax provisions relating to reportable transactions, tax shelters, inversion transactions, and reinsurance agreements
H.R. 3717	Federal Deposit Insurance Reform Act of 2002	Increases federal deposit insurance coverage for most insured accounts, which would require banks and savings associations to pay higher insurance premiums
H.R. 3762	Pension Security Act of 2002	Imposes new requirements on sponsors, administrators, and fiduciaries of pension plans
H.R. 3951 (Financial Services)	Financial Services Regulatory Relief Act of 2002	Requires depository institutions to notify customers of information furnished to a consumer reporting agency that may adversely affect the customers' interests; expands prohibitions on employment at financial institutions of people convicted of certain crimes
H.R. 3951 (Judiciary)	Financial Services Regulatory Relief Act of 2002	Requires depository institutions to notify customers of information furnished to a consumer reporting agency that may adversely affect the customers' interests; expands prohibitions on employment at financial institutions of people convicted of certain crimes
H.R. 4600 (Energy and Commerce)	Help Efficient, Accessible, Low-Cost, Timely Healthcare Act of 2002	Limits the size of the awards that attorneys may receive in medical malpractice cases
H.R. 4600 (Judiciary)	Help Efficient, Accessible, Low-Cost, Timely Healthcare Act of 2002	Limits the size of the awards that attorneys may receive in medical malpractice cases
H.R. 5504	Anton's Law	Requires motor vehicles to have a lap- and shoulder-belt harness in the center-rear seating position

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Above the Statutory Threshold^a (Continued)		
S. 556	Clean Power Act of 2002	Limits emissions of carbon dioxide, sulfur dioxide, and nitrogen oxide from large electricity generators and requires them to purchase emission permits; requires coal-fired facilities to reduce mercury emissions; eliminates current exemptions for certain coal-fired facilities from adopting BACT
S. 710	Eliminate Colorectal Cancer Act of 2002	Requires group health plans and health insurance issuers to provide coverage of colorectal cancer screening for certain plan enrollees
S. 1209	Trade Adjustment Assistance for Workers, Farmers, Communities, and Firms Act of 2001	Effectively increases the cost of the existing mandate on employers to provide continued coverage by increasing the number of separated workers who elect to continue their COBRA coverage; requires trucks, buses, and trains to transmit certain passenger and crew manifest information electronically before entering the United States; requires retailers to inform customers of the country of origin of certain commodities
S. 1746	Nuclear Security Act of 2002	Requires new security measures at sensitive nuclear facilities, effectively raising fees for licensees; expands the system for licensing sensitive radioactive materials
S. 1971	National Employee Savings and Trust Equity Guarantee Act	Imposes new requirements on sponsors, administrators, and fiduciaries of pension plans
S. 1992	Protecting America's Pensions Act of 2002	Imposes new requirements on sponsors, administrators, and fiduciaries of pension plans
S. 2119	Reversing the Expatriation of Profits Offshore Act	Eliminates some of the tax-favored treatment afforded to certain transactions of corporations that were previously incorporated in the United States and reincorporate in foreign jurisdictions
S. 2498	Tax Shelter Transparency Act	Imposes recordkeeping and reporting requirements on certain types of transactions and on people who provide professional advice for such transactions

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Above the Statutory Threshold^a (Continued)		
S. 2538	Fair Minimum Wage Act of 2002	Requires employers covered by the Fair Labor Standards Act to pay a higher minimum wage
S. 2950	National Transportation Safety Board Reauthorization Act of 2002	Requires motor vehicles to have a lap- and shoulder-belt harness in the center-rear seating position
Private-Sector Mandates with Costs Below the Statutory Threshold^a		
H.R. 577 (Senate Governmental Affairs)	An act to amend title 44, United States Code, to require any organization that is established for the purpose of raising funds for creating, maintaining, expanding, or conducting activities at a Presidential archival depository or any facilities relating to a Presidential archival depository to disclose the sources and amounts of any funds raised, and for other purposes	Requires organizations that raise funds for Presidential archival depositories and tax-exempt foundations named after or controlled by Members of Congress to report sources and amounts of contributions
H.R. 1701 (Financial Services)	Consumer Rental Purchase Agreement Act	Requires meaningful disclosures of the terms of rental-purchase agreements, including disclosures of all costs to consumers under such agreements; sets forth consumer protections governing statements of accounts, renegotiations and extensions, point-of-sale disclosures, and rental-purchase advertising
H.R. 1701 (Judiciary)	Consumer Rental Purchase Agreement Act	Requires meaningful disclosures of the terms of rental-purchase agreements, including disclosures of all costs to consumers under such agreements; sets forth consumer protections governing statements of accounts, renegotiations and extensions, point-of-sale disclosures, and rental-purchase advertising
H.R. 2341	Class Action Fairness Act of 2002	Requires that any notice of a proposed settlement of a class action lawsuit provided to the class members through the mail or in printed media contain certain information in a specific format; requires certain other notices provided through television or radio to include specific information in plain language

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Below the Statutory Threshold^a (Continued)		
H.R. 2581	Export Administration Act of 2001	Requires pharmaceutical companies that export certain test articles to comply with new procedures; prohibits exports of implements of torture; requires exporters to file applications electronically
H.R. 2880 (House Resources)	Five Nations Indian Land Reform Act	Grants authority to the Secretary of the Interior to partition certain parcels of undivided property held in trust for individual Indians of the Five Nations who own interest in such property without the consent of all property owners
H.R. 2880 (Senate Indian Affairs)	Five Nations Indian Land Reform Act	Grants authority to the Secretary of the Interior to partition certain parcels of undivided property held in trust for individual Indians of the Five Nations who own interest in such property without the consent of all property owners
H.R. 3173	Service Members and Military Families Protection Act of 2001	Requires a landlord who wishes to evict an active-duty tenant or his or her dependents for nonpayment of rent to obtain a court order authorizing the eviction
H.R. 3215	Combating Illegal Gambling Reform and Modernization Act	Prohibits gambling over the Internet and other interactive computer systems; requires Internet service providers to block their subscribers' access when notified by state or federal law enforcement agencies
H.R. 3476	An act to protect certain lands held in fee by the Pechanga Band of Luiseno Mission Indians from condemnation until a final decision is made by the Secretary of the Interior regarding a pending fee-to-trust application for that land, and for other purposes	Prohibits anyone from condemning certain land owned by the Pechanga band until the Secretary of the Interior renders a final decision on the band's pending application to transfer that land into trust
H.R. 3534	Cherokee, Choctaw, and Chickasaw Nations Claims Settlement Act	Limits the fees payable to attorneys under contract with the Cherokee, Choctaw, and Chickasaw nations to handle certain claims pending in the U.S. Court of Federal Claims

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Below the Statutory Threshold^a (Continued)		
H.R. 3609	Pipeline Infrastructure Protection to Enhance Security and Safety Act	Requires certain pipeline owners and operators to pay user fees, implement an integrity management program on an accelerated schedule, adopt a certified employee qualification program, and implement a terrorism security program
H.R. 3942	John Muir National Historic Site Boundary Adjustment Act	Authorizes the National Park Service to acquire a parcel of property through condemnation
H.R. 4125	Federal Courts Improvement Act of 2002	Eliminates the current exemption from federal jury service for military personnel, police officers, firefighters, and certain public officials
H.R. 4466	National Transportation Safety Board Reauthorization Act of 2002	Prohibits anyone from hindering the ability of the National Transportation Safety Board to carry out its responsibilities under the bill or from hindering the ability of passengers' families to contact one another in the case of a significant accident involving a mode of transportation; prohibits attorneys for a 45-day period from making unsolicited contact about potential legal action with injured passengers or family members; requires passenger rail carriers to submit plans for handling major accidents
H.R. 4623	Child Obscenity and Pornography Prevention Act of 2002	Expands reporting requirements for electronic communication providers to include additional activities related to child pornography
H.R. 4687	National Construction Safety Team Act	Requires private-sector entities, if subpoenaed, to provide testimony and evidence related to matters that the National Construction Safety Team would be empowered to investigate
H.R. 4701	Sports Agent Responsibility and Trust Act	Prohibits a sports agent from providing anything of value to a student athlete or anyone associated with the athlete before entering into a contract; requires agents to provide a student athlete with a specific disclosure document before entering into a contract and prohibits predated or postdated of such a contract

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Below the Statutory Threshold^a (Continued)		
H.R. 4864	Anti-Terrorism Explosives Act of 2002	Requires manufacturers and importers of explosive materials or ammonium nitrate to furnish samples of those materials to the ATF; requires all purchasers of explosives to obtain permits from the ATF; requires applicants for licenses and permits for handling explosives to submit identifying information
H.R. 4954	Medicare Modernization and Prescription Drug Act of 2002	Modifies several existing requirements on insurers that offer Medicare supplemental (medigap) coverage; imposes new requirements on Internet pharmacies and group health plans
H.R. 4965	Partial-Birth Abortion Ban Act of 2002	Prohibits the procedure commonly known as "partial-birth" abortion
H.R. 5063	Armed Forces Tax Fairness Act of 2002	Imposes a mark-to-market tax on the property of individuals who expatriate
H.R. 5385	Miscellaneous Trade and Technical Corrections Act of 2002	Requires certain wine importers to certify that their imports meet U.S. wine-making standards
H.R. ----- (Energy and Commerce)	Medicare Modernization and Prescription Drug Act of 2002	Modifies several existing requirements on insurers that offer Medicare supplemental (medigap) coverage; imposes new requirements on Internet pharmacies and group health plans
S. 351	Mercury Reduction Act of 2002	Prohibits the sale or supply of mercury thermometers except by prescription; requires manufacturers to provide clear instructions on the careful handling of such thermometers
S. 487 (House Judiciary)	Technology, Education, and Copyright Harmonization Act of 2001	Limits the right of copyright owners to collect compensation for use of certain materials by educators in classes offered over the Internet
S. 630	Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2002	Requires senders of commercial e-mail to include a valid return e-mail address and an accurate subject heading in their message; requires senders of unsolicited commercial e-mail to provide an opt-out clause in each message

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Below the Statutory Threshold^a (Continued)		
S. 1284	Employment Non-Discrimination Act of 2002	Prohibits employers, employment agencies, and labor organizations from discriminating against workers on the basis of sexual orientation and requires them to post notices to that effect
S. 1340	Indian Probe Reform Act of 2002	Places new eligibility and distribution requirements on the inheritance of interests in Indian trust and restricted lands
S. 1602	Chemical Security Act of 2002	Requires owners and operators of certain facilities to protect against the unauthorized release of chemical substances
S. 1742	Identity Theft Victims Assistance Act of 2002	Requires businesses to provide transaction information without charge within 20 days after receipt of a written request by the victim of alleged identity theft; requires credit reporting agencies to permanently block the reporting of information resulting from identity theft
S. 1867	An act to establish the National Commission on Terrorist Attacks upon the United States, and for other purposes	Requires private-sector entities, if subpoenaed, to provide testimony and evidence related to matters that the commission determines to be advisable
S. 1956	Safe Explosives Act	Requires manufacturers and importers of explosive materials or ammonium nitrate to furnish samples of those materials to the ATF; requires all purchasers of explosives to obtain permits from the ATF; requires applicants for licenses and permits for handling explosives to submit identifying information
S. 2010	Corporate and Criminal Fraud Accountability Act of 2002	Requires any accountant who conducts certain corporate audits to maintain all audit or review papers for five years; prohibits companies from discharging, demoting, suspending, harassing, or discriminating against employees who provide information to the federal government on the terms and conditions of their employment

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs Below the Statutory Threshold^a (Continued)		
S. 2506 (Armed Services)	Intelligence Authorization Act for Fiscal Year 2003	Requires private-sector entities, if subpoenaed, to provide testimony and evidence related to matters that the National Commission for Review of Research and Development Programs of the United States Intelligence Community determines to be advisable
S. 2506 (Select Committee on Intelligence)	Intelligence Authorization Act for Fiscal Year 2003	Requires private-sector entities, if subpoenaed, to provide testimony and evidence related to matters that the National Commission for Review of Research and Development Programs of the United States Intelligence Community determines to be advisable
S. 2550	Professional Boxing Amendments Act of 2002	Requires boxers, managers, promoters, and sanctioning organizations to meet certain safety standards and be licensed by the U.S. Boxing Administration
S. 2711	Indian Programs Reauthorization and Technical Amendments Act of 2002	Prohibits anyone from condemning certain land owned by the Pechanga band until the Secretary of the Interior renders a final decision on the band's pending application to transfer that land into trust
S. 2949	Aviation Security Improvement Act	Requires air carriers that operate passenger aircraft and all-cargo aircraft to comply with new security procedures for cargo; requires facilities that offer flight training to submit information on foreign candidates requesting initial training on any aircraft
S. 2989	An act to protect certain lands held in fee by the Pechanga Band of Luiseno Mission Indians from condemnation until a final decision is made by the Secretary of the Interior regarding a pending fee-to-trust application for that land, and for other purposes	Prohibits anyone from condemning certain land owned by the Pechanga band until the Secretary of the Interior renders a final decision on the band's pending application to transfer that land into trust
Private-Sector Mandates with Costs That Could Not Be Estimated		
H.J. Res. 101	A resolution disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam	Increases tariff rates for importers of goods from Vietnam

(Continued)

Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs That Could Not Be Estimated (Continued)		
H.R. 2037 (Energy and Commerce)	Protection of Lawful Commerce in Arms Act	Prohibits private-sector parties from suing certain manufacturers or sellers of firearms and related trade associations when their products are used unlawfully
H.R. 2037 (Judiciary)	Protection of Lawful Commerce in Arms Act	Prohibits private-sector parties from suing certain manufacturers or sellers of firearms and related trade associations when their products are used unlawfully
H.R. 3580	Medical Device User Fee and Modernization Act	Requires manufacturers of medical devices to comply with certain labeling requirements and application procedures and to pay fees to the Food and Drug Administration
H.R. 3763	Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002	Imposes new requirements on independent public or certified accountants who provide auditing services; imposes a fee to fund a new accounting regulatory board; requires companies that issue securities to disclose some information on an accelerated schedule; prohibits owners and officers of a company from selling company stock during certain periods
H.R. 3983	Maritime Transportation Antiterrorism Act of 2002	Requires certain ports and facilities at those ports to develop and comply with antiterrorism plans; requires shippers to provide information electronically on containerized cargo; requires some vessels to have automatic identification systems
H.R. 4635	Arming Pilots Against Terrorism Act	Requires air carriers to provide additional training to their flight and cabin crews
H.R. 4737	Work, Opportunity, and Responsibility for Kids Act of 2002	Extends the government's authority to collect certain customs user fees through February 28, 2005
H.R. 5478	Patient Safety and Quality Improvement Act	Imposes new requirements on health care providers and on manufacturers, packagers, and labelers of drugs and biological products

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Table B-2.

**Bills Reviewed by CBO in 2002 That Contained Private-Sector Mandates
(Continued)**

Bill Number (Committee)	Name	Mandate
Private-Sector Mandates with Costs That Could Not Be Estimated (Continued)		
S. 848	Social Security Number Misuse Prevention Act of 2002	Prohibits the display, sale, or purchase of someone's Social Security number without that person's consent; requires businesses that accept credit cards to truncate card numbers on electronically printed receipts
S. 2201	Online Personal Privacy Act	Prohibits Internet and online service providers and commercial Web sites from collecting or disclosing personal information from an Internet user without the user's consent
S. 2237	Veterans Benefits Improvements Act of 2002	Temporarily exempts some National Guard members who are performing homeland security activities from certain financial obligations
S. 2329	Ship, Seafarer, and Container Security Act	Accelerates the date by which certain types of vessels operating in U.S. waters must install automatic identification systems
S. 2673	Public Company Accounting Reform and Investor Protection Act of 2002	Establishes a new oversight board and standard-setting body to regulate the accounting industry; imposes requirements on registered public accounting firms; imposes a fee on those firms to fund the new oversight board; requires companies to certify financial reports; requires companies that issue securities to disclose some information on an accelerated schedule; prohibits owners and officers of a company from selling company stock during certain periods

Source: Congressional Budget Office.

Note: ATF = Bureau of Alcohol, Tobacco, and Firearms; BACT = best available control technologies (as prescribed by the Environmental Protection Agency); COBRA = Consolidated Omnibus Budget Reconciliation Act of 1985.

a. The threshold for private-sector mandates, which is adjusted annually for inflation, was \$115 million in 2002.

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