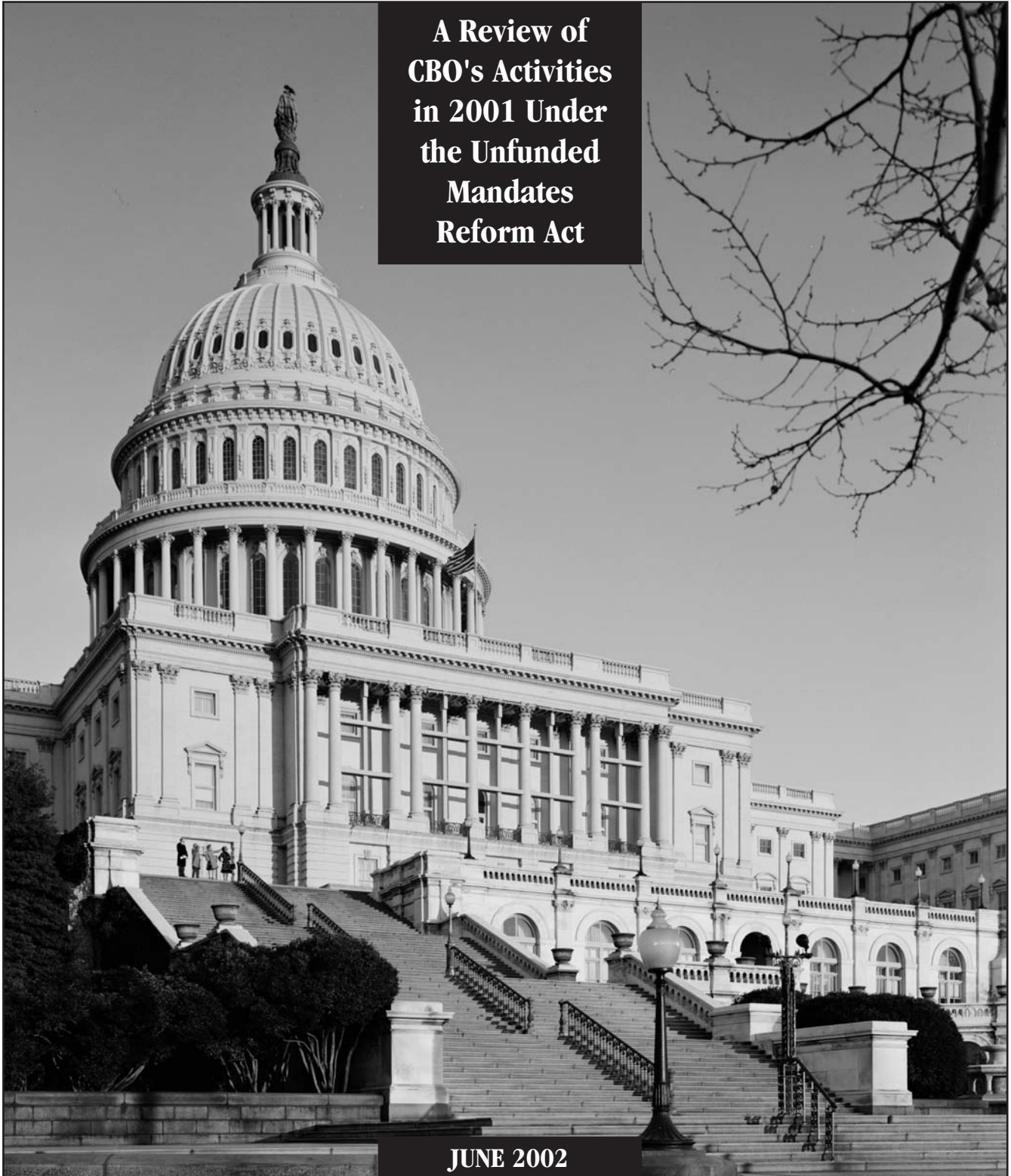


CONGRESS OF THE UNITED STATES  
CONGRESSIONAL BUDGET OFFICE

A  
**CBO**  
P A P E R

**A Review of  
CBO's Activities  
in 2001 Under  
the Unfunded  
Mandates  
Reform Act**



**JUNE 2002**



**A Review of CBO's Activities in 2001  
Under the Unfunded Mandates  
Reform Act**

June 2002

**The Congress of the United States  
Congressional Budget Office**



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# Preface

This paper 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 2001 that would impose federal mandates on other levels of government or on the private sector.

The paper was prepared by Theresa Gullo, chief of the State and Local Government Cost Estimates Unit of CBO's Budget Analysis Division, under the supervision of Robert Sunshine, and by Patrice Gordon, chief of the Private-Sector Mandates Unit of CBO's Microeconomic and Financial Studies Division, under the supervision of Roger Hitchner. The CBO mandate statements referred to in this report were prepared by the staff members listed in the appendix as well as by former CBO analyst Victoria Heid Hall.

Christian Spoor edited the paper, and Leah Mazade proofread it. Rae Wiseman produced the tables, with assistance from Ernestine McNeil. Kathryn Winstead produced the cover, and Annette Kalicki prepared the electronic versions of the paper for CBO's Web site ([www.cbo.gov](http://www.cbo.gov)).



Dan L. Crippen  
Director

June 2002



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## Introduction

Title I of the Unfunded Mandates Reform Act of 1995 (UMRA) requires the Congressional Budget Office (CBO) to estimate the costs of federal legislative provisions that would impose requirements on state, local, or tribal governments or on the private sector. CBO must analyze all public bills that are considered by authorizing committees—and, on request, other legislative proposals—for the presence of such federal mandates. The agency must then provide a detailed cost estimate for each bill that contains a mandate whose costs would total \$50 million or more to other levels of government in any one year or \$100 million or more to the private sector in any one year. (Those thresholds are in 1996 dollars and are adjusted annually for inflation. In 2001, they were \$56 million for intergovernmental mandates and \$113 million for private-sector mandates.)

This report reviews CBO's activities under title I of UMRA during calendar year 2001—the sixth year that CBO has provided information about federal mandates to the Congress.<sup>1</sup> The report lists the bills examined by CBO last year that were found to contain mandates with costs above the relevant thresholds. It also notes which of those mandates were enacted into law.

## Mandate Statements Prepared in 2001

Last year, CBO analyzed 389 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 five years, most of that legislation did not contain federal mandates as defined by UMRA. Of the 389 bills and other legislative proposals, 50 (13 percent) contained intergovernmental mandates, and 66 (17 percent) contained private-sector mandates. (Table 2 on page 5 and Table 3 on page 10 list those bills and their mandates.)

Most of the legislation with mandates would not have imposed costs exceeding the thresholds set by UMRA. Only four (8 percent) of the bills that contained intergovernmental mandates would have cost state, local, and tribal governments as a whole \$56 million or more in any year, by CBO's estimate. Some 18 (27 percent) of the bills with private-sector mandates would have imposed costs of more than \$113 million a year.

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1. For more details about UMRA's requirements and a review of CBO's activities under title I of the law during its first five years, see Congressional Budget Office, *CBO's Activities Under the Unfunded Mandates Reform Act, 1996-2000* (May 2001).

**Table 1.**  
**Number of CBO Mandate Statements for Bills, Proposed Amendments,**  
**and Conference Reports in 2001**

	Intergovernmental Mandates	Private-Sector Mandates
Total Number of Statements Transmitted	389	389
Number of Statements That Identified Mandates	50	66
Mandate costs would exceed threshold <sup>a</sup>	4	18
Mandate costs could not be estimated	3	8

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 (UMRA) requires CBO to complete mandate statements for every bill and joint resolution of a public character reported by an authorizing committee. UMRA 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 \$56 million for intergovernmental mandates and \$113 million for private-sector mandates in 2001.

About half of the intergovernmental mandates that CBO identified in 2001 were explicit preemptions of state or local authority.<sup>2</sup> In most of those cases, the estimated costs to comply with the preemptions were not significant.

## Mandates Enacted into Law in 2001

Of the legislative proposals that the Congress considered last year, no intergovernmental mandates and few private-sector mandates with costs over the UMRA thresholds became law.

### Intergovernmental Mandates

Because CBO prepares mandate statements on every public bill reported by a House or Senate authorizing committee, and because both bodies may consider

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

the same basic mandate in more than one piece of legislation, the number of separate mandates included in legislation is smaller than the number of statements that CBO prepared. The four statements that CBO provided in 2001 for legislation containing intergovernmental mandates above the cost threshold actually identified only two different mandates: an increase in the minimum wage and requirements on state and local governments to comply with a variety of patient-protection standards in the health plans they offer their employees (see Table 4 on page 18). Neither of those mandates had been enacted into law by the end of May 2002.

Of the 108 public laws that were enacted in 2001, only 12 contained intergovernmental mandates as defined by UMRA (see Table 5 on page 21). By CBO's estimate, none of those mandates will impose annual costs on state, local, or tribal governments that exceed the threshold. Five of the 12 laws contained intergovernmental mandates that were never reviewed by CBO, either because the mandates were added after CBO's review or because the bill containing the mandates was never considered by an authorizing committee.

## **Private-Sector Mandates**

The 18 statements that CBO provided for legislation containing private-sector mandates above the cost threshold contained 13 separate mandates (see Table 4). Five of those mandates were enacted: a fee imposed on passengers to fund aviation-security programs, a ban on soft-money collections by national political parties, new minimum prices for fluid milk in different regions of the country, a requirement that group health plans and issuers of health insurance cover mental health and medical benefits equally, and tax provisions imposed to offset the costs of other provisions in the Job Creation and Worker Assistance Act of 2002. Two other mandates with costs exceeding the threshold had a conference pending or were already in conference committee at the end of May 2002: new procedures for administering bankruptcy estates and new patient-protection requirements for health insurance.

## **Mandate Statements Prepared Since UMRA Went into Effect**

CBO has provided mandate statements for nearly all of the public bills reported by authorizing committees since UMRA took effect in 1996. Most of that legislation did not contain federal mandates as UMRA defines them. Of the more than 3,300 bills and other legislative proposals that CBO reviewed from 1996 through 2001,

12 percent contained intergovernmental mandates and 15 percent contained private-sector mandates (see Table 6 on page 24).

Most of those mandates would not have cost the affected parties more than the thresholds set in UMRA. Only 36 (about 9 percent) of the bills with intergovernmental mandates—or 1 percent of the bills that CBO reviewed during the 1996-2001 period—had costs exceeding the threshold in any one year, by CBO's estimate. Some 118 (24 percent) of the bills with private-sector mandates—or about 4 percent of the bills that CBO reviewed in those six years—would have imposed costs on the private sector above the threshold in any year.

**Table 2.**  
**Bills Reviewed by CBO in 2001 That Contained Intergovernmental Mandates**

Bill Number (Committee)	Name	Mandate
<b>Intergovernmental Mandates with Costs Exceeding the Statutory Threshold<sup>a</sup></b>		
H.R. 2315	Patients' Bill of Rights Act of 2001	Preempts state patient-protection laws and applies requirements in the bill to government health plans
H.R. 2563	Bipartisan Patient Protection Act	Preempts state patient-protection laws and applies requirements in the bill to government health plans
S. 277	Fair Minimum Wage Act of 2001	Requires state and local governments as employers to pay a higher minimum wage
S. 1052	Bipartisan Patients' Bill of Rights Act	Preempts state patient-protection laws and applies requirements in the bill to government health plans
<b>Intergovernmental Mandates with Costs Below the Statutory Threshold<sup>a</sup></b>		
H.R. 7 (Judiciary)	Community Solutions Act of 2001	Preempts state liability laws
H.R. 7 (Ways and Means)	Community Solutions Act of 2001	Preempts state liability laws
H.R. 90	Know Your Caller Act of 2001	Preempts certain provisions of state telemarketing laws
H.R. 333	Bankruptcy Abuse Prevention and Consumer Protection Act of 2001	Preempts state contract laws; requires conformity with certain federal tax procedures; preempts state court authority on foreign judgments
H.R. 718	Unsolicited Commercial Electronic Mail Act of 2001	Preempts state and local regulatory and liability laws governing commercial e-mail
H.R. 727	A bill to amend the Consumer Products Safety Act to provide that low-speed electric bicycles are consumer products subject to such act	Preempts state laws and regulations governing electric bikes that are more stringent than federal law
H.R. 1408 (Financial Services)	Financial Services Antifraud Network Act of 2001	Requires participation in an antifraud network; preempts state confidentiality laws

(Continued)

**Table 2.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Intergovernmental Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
H.R. 1408 (Judiciary)	Financial Services Antifraud Network Act of 2001	Requires participation in an antifraud network; preempts state confidentiality laws
H.R. 1542 (Energy and Commerce)	Internet Freedom and Broadband Deployment Act of 2001	Preempts ability of states to regulate high-speed data services
H.R. 1542 (Judiciary)	Internet Freedom and Broadband Deployment Act of 2001	Preempts ability of states to regulate high-speed data services
H.R. 1552	Internet Tax Nondiscrimination Act	Prohibits states from taxing the Internet
H.R. 2299	Department of Transportation and Related Agencies Appropriation Act	Requires the Washington Metropolitan Area Transit Authority to change the name of the National Airport station
H.R. 2440	A bill 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 change signs for Wolf Trap to show new name
H.R. 2505	Human Cloning Prohibition Act of 2001	Prohibits public entities from performing human cloning
H.R. 2546	Real Interstate Drive Equity Act of 2001	Prohibits state and local authorities from requiring licenses and fees for certain limousine operators
H.R. 2559 (Government Reform and Judiciary)	A bill to amend chapter 90 of title 5, U.S. Code, relating to federal long-term care insurance	Preempts state premium taxes on federal long-term care insurance
H.R. 2559 (Senate Governmental Affairs)	A bill to amend chapter 90 of title 5, U.S. Code, relating to federal long-term care insurance	Preempts state premium taxes on federal long-term care insurance
H.R. 2586	National Defense Authorization Act for Fiscal Year 2002	Requires secondary schools to provide a list of students to the military and preempts state land management
H.R. 2657 (Government Reform)	District of Columbia Family Court Act of 2001	Places new administrative requirements on the mayor and Superior Court of the District of Columbia

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(Continued)

**Table 2.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Intergovernmental Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
H.R. 2657 (Senate Govern- mental Affairs)	District of Columbia Family Court Act of 2001	Places new administrative requirements on the mayor and Superior Court of the District of Columbia
H.R. 2883	Intelligence Authorization Act for Fiscal Year 2002	Establishes the Commission on Prepared- ness and Performance of the Federal Government for September 11 Acts of Terrorism, which has subpoena power
H.R. 2975	Provide Appropriate Tools Required to Intercept and Obstruct Terrorism (PATRIOT) Act of 2001	Increases reporting requirements for state courts
H.R. 2983	Price-Anderson Reauthorization Act of 2001	Requires security upgrades at nuclear facilities; imposes new restrictions on the transfer and shipment of nuclear materials; increases the retrospective premium for federal insurance coverage of a nuclear incident
H.R. 3004	Financial Anti-Terrorism Act of 2001	Requires state and local agencies that are acting as financial institutions to comply with related procedural requirements; preempts state law in areas of federal intelligence and investigations
H.R. 3016	A bill to amend the Antiterrorism and Effective Death Penalty Act of 1996 with respect to the responsibilities of the Secretary of Health and Human Services regarding biological agents and toxins, and to amend title 18, U.S. Code, with respect to such agents and toxins, to clarify the application of cable television system privacy requirements to new cable services, to strengthen security at certain nuclear facilities, and for other purposes	Requires new security measures for nuclear facilities as a result of new regulations by the Nuclear Regulatory Commission
H.R. 3046	Medicare Regulatory and Contracting Reform Act of 2001	Preempts liability laws for some Medicare administrative contractors
H.R. 3090	Economic Security and Assistance for American Workers Act of 2001	Prohibits states from considering COBRA assistance when determining eligibility for public benefits

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(Continued)

**Table 2.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Intergovernmental Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
H.R. 3150	Secure Transportation for Americans Act of 2001	Requires airport authorities to amend security plans; preempts state liability laws
H.R. 3210 (Financial Services)	Terrorism Risk Protection Act	Preempts state insurance laws; requires insurers and purchasers of insurance to repay financial assistance
H.R. 3210 (Ways and Means)	Terrorism Risk Protection Act	Preempts state insurance laws; requires insurers and purchasers of insurance to repay financial assistance
S. 87	Native Hawaiian Health Care Improvement Act Reauthorization of 2001	Requires state of Hawaii to consult with Native Hawaiians and health care organizations before making policy changes
S. 415	Aviation Competition Restoration Act	Requires airports and air carriers to break contractual arrangements if required by the Secretary of Transportation
S. 420	Bankruptcy Reform Act of 2001	Preempts state contract laws; requires conformity with certain federal tax procedures; preempts state court authority on foreign judgments
S. 507	Northern Mariana Islands Covenant Implementation Act	Preempts immigration laws of the Commonwealth of the Northern Mariana Islands
S. 543	Mental Health Equitable Treatment Act of 2001	Preempts state laws governing mental health coverage that are less stringent than the bill's standard
S. 565	Equal Protection of Voting Rights Act of 2001	Requires subpoenaed entities to produce certain information
S. 633	Aviation Delay Prevention Act	Requires airport authorities to study options for increasing capacity
S. 718	Amateur Sports Integrity Act	Prohibits state and local governments from operating or authorizing any wagering on amateur sports; requires public colleges to compile and report information and policies about gambling

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(Continued)



**Table 2.**  
**Continued**

Bill Number (Committee)	Name	Mandate
<b>Intergovernmental Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
S. 1319	A bill to authorize appropriations for the Department of Justice for fiscal year 2002 and for other purposes	Increases states' net costs to incarcerate certain illegal aliens
S. 1382	District of Columbia Family Court Act of 2001	Places new administrative requirements on the mayor and Superior Court of the District of Columbia
S. 1447	Aviation Security Act	Preempts certain state liability laws; requires airports to improve security
S. 1533	Health Care Safety Net Amendments of 2001	Preempts statutes of limitation in cases involving people who breached their contracts with the National Health Service Corps
S. 1624	World Trade Center Attack Claims Act	Prohibits accessing World Trade Center claims for debts owed
<b>Intergovernmental Mandates with Costs That Could Not Be Estimated</b>		
S. 952	Public Safety Employer-Employee Cooperation Act of 2001	Preempts states' authority to allow collective bargaining; requires state and local governments to bargain collectively with certain public safety employees
S. 1214 <sup>b</sup>	Port and Maritime Security Act of 2001	Requires public port authorities to upgrade security procedures and infrastructure
S. 1731	Agriculture, Conservation, and Rural Enhancement Act of 2001	Extends existing cap on the federal contribution to administrative costs of the Food Stamp program; preempts various state laws

SOURCE: Congressional Budget Office.

NOTE: COBRA = Consolidated Omnibus Budget Reconciliation Act of 1985.

- a. The threshold for intergovernmental mandates, which is adjusted annually for inflation, was \$56 million in 2001.
- b. S. 1214 was amended on the floor of the Senate to increase the number of ports requiring a security upgrade. The cost to other levels of government of the amended version of the bill would exceed the \$56 million threshold for intergovernmental mandates.

**Table 3.**  
**Bills Reviewed by CBO in 2001 That Contained Private-Sector Mandates**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs Exceeding the Statutory Threshold*</b>		
H.J. Res. 50	A resolution disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China	Increases tariff rates for importers of goods from the People's Republic of China
H.R. 333	Bankruptcy Abuse Prevention and Consumer Protection Act of 2001	Changes procedures for administering bankruptcy estates
H.R. 1542 (Energy and Commerce)	Internet Freedom and Broadband Deployment Act of 2001	Requires broadband services in each state
H.R. 1542 (Judiciary)	Internet Freedom and Broadband Deployment Act of 2001	Requires broadband services in each state
H.R. 2315	Patients' Bill of Rights Act of 2001	Imposes new requirements on private group health plans and health insurance issuers
H.R. 2356	Bipartisan Campaign Reform Act of 2001	Changes procedures for collection and use of campaign contributions
H.R. 2563	Bipartisan Patient Protection Act	Imposes new requirements on private group health plans and health insurance issuers
H.R. 3090 (Ways and Means)	Economic Security and Recovery Act of 2001	Extends the existing mandate that requires private group health plans and health insurance issuers to cover mental health and medical benefits equally; limits non-accrual accounting; alters the treatment of indebtedness for S corporations
H.R. 3090 (Senate Finance)	Economic Security and Assistance for American Workers Act of 2001	Extends the existing mandate that requires private group health plans and health insurance issuers to cover mental health and medical benefits equally; increases the cost of existing mandate to provide health insurance for certain separated workers
H.R. 3150	Secure Transportation for Americans Act of 2001	Imposes a user fee to fund federal security services at airports; requires manufacturers to fortify flight-deck doors and make other security enhancements to new aircraft

(Continued)

**Table 3.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs Exceeding the Statutory Threshold<sup>a</sup> (Continued)</b>		
S. 277	Fair Minimum Wage Act of 2001	Increases the minimum wage paid by employers covered under the Fair Labor Standards Act
S. 420	Bankruptcy Reform Act of 2001	Changes procedures for administering bankruptcy estates
S. 543	Mental Health Equitable Treatment Act of 2001	Extends and expands the existing mandate that requires private group health plans and health insurance issuers to cover mental health and medical benefits equally
S. 950	Federal Reformulated Fuels Act of 2001	Bans the use of the fuel additive MTBE in motor gasoline; requires ethanol motor fuels to have lower evaporative properties
S. 980	Child Passenger Protection Act of 2001	Requires motor vehicles to have a lap- and shoulder-belt harness in the center-rear seating position
S. 1052	Bipartisan Patients' Bill of Rights Act	Imposes new requirements on private group health plans and health insurance issuers
S. 1447	Aviation Security Act	Imposes a user fee to fund federal security services at airports; requires manufacturers to strengthen and secure flight-deck doors; imposes reporting requirements on people who provide aviation training
S. 1731	Agriculture, Conservation, and Rural Enhancement Act of 2001	Establishes new minimum prices for fluid milk in different regions; requires country-of-origin labeling; bans commerce in live animals with intent to fight
<b>Private-Sector Mandates with Costs Below the Statutory Threshold<sup>a</sup></b>		
H.R. 10 (Ways and Means)	Comprehensive Retirement Security and Pension Reform Act of 2001	Prohibits allocations of stock in an S corporation's employee stock ownership plan
H.R. 10 (Education and Workforce)	Comprehensive Retirement Security and Pension Reform Act of 2001	Prohibits allocations of stock in an S corporation's employee stock ownership plan

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(Continued)

**Table 3.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
H.R. 90	Know Your Caller Act of 2001	Requires commercial telephone solicitors to transmit specific information about callers; prohibits such solicitors from using a person's name and telephone number for marketing purposes when requested
H.R. 577	A bill to amend title 44, U.S. 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. 718 (Energy and Commerce)	Unsolicited Commercial Electronic Mail Act of 2001	Requires all unsolicited commercial electronic mail to be identified as such, to explain how the consumer could stop receiving such e-mail, and to contain accurate information about the senders and how to contact them; requires that Internet service providers offer their customers an option not to receive such e-mail
H.R. 718 (Judiciary)	Anti-Spamming Act of 2001	Requires people who send electronic mail that contains sexually oriented advertisements to include labels and notices on all such mail to warn the recipient of the sexual content
H.R. 1007	James Guelff and Chris McCurley Body Armor Act of 2001	Requires people convicted of a violent felony to obtain certification from their employer indicating that body armor is necessary to conduct lawful business activity
H.R. 1408 (Financial Services)	Financial Services Antifraud Network Act of 2001	Requires financial regulators (including private regulators) to coordinate their computer systems to share information about fraud and to notify people if information in the database is used against them

(Continued)

**Table 3.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
H.R. 1408 (Judiciary)	Financial Services Antifraud Network Act of 2001	Requires financial regulators (including private regulators) to coordinate their computer systems to share information about fraud and to notify people if information in the database is used against them
H.R. 1646	Foreign Relations Authorization Act, Fiscal Years 2002 and 2003	Requires exporters to file shipping declarations electronically
H.R. 1661	A bill to extend indefinitely the authority of the States of Washington, Oregon, and California to manage a Dungeness crab fishery until the effective date of a fishery management plan	Extends existing mandate that requires vessels fishing in the Dungeness crab fishery adjacent to those states to obtain a state permit
H.R. 1954 (International Relations)	ILSA Extension Act of 2001	Requires sanctions against U.S. entities or foreign companies that have invested greater-than-specified amounts in developing petroleum and natural gas in Iran or Libya
H.R. 1954 (Ways and Means)	ILSA Extension Act of 2001	Requires sanctions against U.S. entities or foreign companies that have invested greater-than-specified amounts in developing petroleum and natural gas in Iran or Libya
H.R. 2052	Sudan Peace Act	Requires a business to disclose its commercial activities in Sudan before trading its securities in the United States
H.R. 2360	Campaign Finance Reform and Grassroots Citizen Participation Act of 2001	Prohibits national party committees from using soft money for certain activities; limits soft-money donations to such committees to \$75,000 per year
H.R. 2505	Human Cloning Prohibition Act of 2001	Prohibits human cloning as defined in the bill
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

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(Continued)

**Table 3.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
H.R. 2646 (Agriculture)	Farm Security Act of 2001	Imposes new assessments on dairy importers and cranberry producers
H.R. 2646 (International Relations)	Farm Security Act of 2001	Imposes new assessments on dairy importers and cranberry producers
H.R. 2833	Viet Nam Human Rights Act	Prohibits exports of defense-related items to Vietnam if the Vietnamese government does not meet certain requirements for human rights
H.R. 2887	Best Pharmaceuticals for Children Act	Imposes new requirements on producers of generic and brand-name drugs
H.R. 2975 <sup>b</sup>	Provide Appropriate Tools Required to Intercept and Obstruct Terrorism (PATRIOT) Act of 2001	Prohibits certain people from shipping or receiving biological toxins in interstate or foreign commerce
H.R. 3030	Basic Pilot Extension Act of 2001	Requires some employers to participate in pilot programs related to immigration
H.R. 3129	Customs Border Security Act of 2001	Requires vessels to submit information about cargo manifests electronically before entering the United States
H.R. 3210 (Financial Services)	Terrorism Risk Protection Act	Requires property and casualty insurers to pay assessments, and their policyholders to pay surcharges, to cover certain losses from terrorist acts
H.R. 3210 (Ways and Means)	Terrorism Risk Protection Act	Requires property and casualty insurers to pay assessments, and their policyholders to pay surcharges, to cover certain losses from terrorist acts
S. 143	Competitive Market Supervision Act of 2001	Requires national securities exchanges and the national securities association to file monthly an estimate of required fees and assessments
S. 166	James Guelff and Chris McCurley Body Armor Act of 2001	Requires people convicted of a violent felony to obtain certification from their employer indicating that body armor is necessary to conduct lawful business activity

(Continued)

**Table 3.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs Below the Statutory Threshold<sup>a</sup> (Continued)</b>		
S. 423	Fort Clatsop National Memorial Expansion Act of 2001	Allows the government to acquire certain timberlands through condemnation
S. 487	Technology, Education, and Copyright Harmonization Act of 2001	Limits the right of some copyright owners to collect compensation
S. 565	Equal Protection of Voting Rights Act of 2001	Allows new commission to subpoena testimony and evidence
S. 718	Amateur Sports Integrity Act	Prohibits wagering on amateur sports; requires colleges to compile and report information and policies about gambling
S. 838	Best Pharmaceuticals for Children Act	Imposes new requirements on producers of generic and brand-name drugs
S. 896	Restoring Earnings to Lift Individuals and Empower Families (RELIEF) Act of 2001	Prohibits allocations of stock in an S corporation's employee stock ownership plan
S. 951	Coast Guard Authorization Act of 2001	Extends the period during which manufacturers of boating vessels and associated equipment are required to issue recalls for defective products
S. 952	Public Safety Employer-Employee Cooperation Act of 2001	Prohibits public safety officers and their labor organizations from engaging in sick-outs, work slowdowns, or strikes
S. 1140	Motor Vehicle Franchise Contract Arbitration Fairness Act of 2001	Prohibits certain arbitration conditions in contracts between car manufacturers and car dealers
S. 1218	ILSA Extension Act of 2001	Requires sanctions against U.S. entities or foreign companies that have invested greater-than-specified amounts in developing petroleum and natural gas in Iran or Libya
S. 1246	Emergency Agricultural Assistance Act of 2001	Requires some tobacco producers to have their product graded by the government for a fee
S. 1624	World Trade Center Attack Claims Act	Prohibits creditors from making claims against awards made to individuals or businesses receiving compensation under the bill

(Continued)

**Table 3.  
Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs That Could Not Be Estimated</b>		
H.R. 2587	Energy Advancement and Conservation Act of 2001	Imposes energy-efficiency standards for household appliances; requires vending machines to meet new labeling, testing, and energy-conservation standards
H.R. 2983	Price-Anderson Reauthorization Act of 2001	Requires security upgrades at nuclear facilities; imposes new restrictions on the transfer and shipment of nuclear materials; increases the retrospective premium for federal insurance coverage of a nuclear incident
H.R. 3004	Financial Anti-Terrorism Act of 2001	Imposes new information-collection, reporting, and recordkeeping requirements on financial institutions
H.R. 3016	A bill to amend the Antiterrorism and Effective Death Penalty Act of 1996 with respect to the responsibilities of the Secretary of Health and Human Services regarding biological agents and toxins, and to amend title 18, U.S. Code, with respect to such agents and toxins, to clarify the application of cable television system privacy requirements to new cable services, to strengthen security at certain nuclear facilities, and for other purposes	Requires security upgrades at nuclear facilities; requires laboratories to register certain biological agents with the Centers for Disease Control and Prevention; imposes new restrictions on the handling, transfer, and shipment of those biological agents
S. 319	Airline Customer Service Improvement Act	Requires airlines to provide additional services to passengers
S. 415	Aviation Competition Restoration Act	Regulates airport landing slots to improve competition among airlines
S. 507	Northern Mariana Islands Covenant Implementation Act	Amends the covenant to limit the number of temporary alien workers who can be legally present in the Commonwealth of the Northern Mariana Islands

(Continued)



**Table 3.**  
**Continued**

Bill Number (Committee)	Name	Mandate
<b>Private-Sector Mandates with Costs That Could Not Be Estimated (Continued)</b>		
S. 1214 <sup>e</sup>	Port and Maritime Security Act of 2001	Requires security upgrades at selected U.S. ports; requires certain importers to transmit manifest information electronically; extends the requirement to pay vessel tonnage duties through 2006

SOURCE: Congressional Budget Office.

NOTE: ILSA = Iran and Libya Sanctions Act; MTBE = methyl tertiary butyl ether.

- a. The threshold for private-sector mandates, which is adjusted annually for inflation, was \$113 million in 2001.
- b. Section 4 of the Unfunded Mandates Reform Act excludes the law from applying to any legislative provision that is necessary for national security. CBO determined that some of the provisions of H.R. 2975 fit within that exclusion.
- c. S. 1214 was amended on the floor of the Senate to increase the number of ports requiring a security upgrade. The cost to the private sector of the amended version of the bill would exceed the \$113 million threshold for private-sector mandates.

**Table 4.**  
**Status of Mandates Identified by CBO in 2001 That Would Exceed**  
**the Statutory Thresholds**

Topic	Mandate	Status at End of May 2002
<b>Intergovernmental Mandates with Costs Exceeding the Statutory Threshold<sup>a</sup></b>		
Minimum Wage	Requires state and local governments as employers to pay a higher minimum wage	Placed on the Senate calendar
Patients' Bill of Rights	Requires state and local governments as employers to comply with a variety of patient-protection standards; applies requirements to government health plans	Passed by both the House and Senate; conference pending
<b>Private-Sector Mandates with Costs Exceeding the Statutory Threshold<sup>a</sup></b>		
Aviation Security	Imposes a user fee to fund aviation-security programs; requires security enhancements on aircraft; imposes additional security procedures	Enacted in Public Law 107-71 <sup>b</sup>
Bankruptcy Reform	Changes procedures for administering bankruptcy estates	In conference committee
Broadband Services	Requires broadband services in each state	Passed by the House
Campaign Finance Reform	Changes procedures for collection and use of campaign contributions	Enacted in Public Law 107-155 <sup>c</sup>
Child Passenger Protection	Requires motor vehicles to have a lap- and shoulder-belt harness in the center-rear seating position	Passed by the Senate
China's Normal Trade Relations	Increases tariff rates for importers of goods from the People's Republic of China	Failed passage in the House
COBRA Health Insurance Coverage	Increases the cost of existing mandate to provide health insurance for certain separated workers	Withdrawn from the Senate floor by unanimous consent
Federal Reformulated Fuels	Bans the use of the fuel additive MTBE in motor gasoline; changes requirements for ethanol motor fuels	Placed on the Senate calendar
Milk Marketing Orders/ Country-of-Origin Labeling	Establishes new minimum prices for fluid milk in different regions; requires country-of-origin labeling on certain products	Enacted in Public Law 107-171 <sup>d</sup>

(Continued)

**Table 4.  
Continued**

Topic	Mandate	Status at End of May 2002
<b>Private-Sector Mandates with Costs Exceeding the Statutory Threshold<sup>a</sup> (Continued)</b>		
Minimum Wage	Increases the minimum wage paid by employers covered under the Fair Labor Standards Act	Placed on the Senate calendar
Mental Health Parity	Requires private group health plans and health insurance issuers to cover mental health and medical benefits equally, in terms of annual and lifetime dollar limits	Enacted in Public Law 107-147 <sup>e</sup>
Patients' Bill of Rights	Imposes new requirements on private group health plans and health insurance issuers	Passed by the House and Senate; conference pending
Tax Offset Provisions	Limits nonaccrual accounting; alters treatment of indebtedness for S corporations	Enacted in Public Law 107-147 <sup>e</sup>
<b>Intergovernmental Mandates with Costs That Could Not Be Estimated</b>		
Food Stamps	Extends existing cap on federal contribution to administrative costs of the Food Stamp program	Enacted in Public Law 107-171 <sup>d</sup>
Port and Maritime Security	Requires public port authorities to upgrade security procedures and infrastructure	Passed by the Senate <sup>f</sup>
Public Safety Employer-Employee Cooperation	Requires state and local governments to bargain collectively with certain public safety employees	Placed on the Senate calendar
<b>Private-Sector Mandates with Costs That Could Not Be Estimated</b>		
Airline Competition	Regulates airport landing slots to improve competition among airlines	Placed on the Senate calendar
Airline Customer Service	Requires airlines to provide additional services to passengers	Placed on the Senate calendar
Energy-Efficient Appliances	Imposes energy-efficiency standards for household appliances	Passed by the House
Financial Antiterrorism	Imposes new information-collection, reporting, and recordkeeping requirements on financial institutions	Enacted in Public Law 107-56 <sup>g</sup>

(Continued)

**Table 4.  
Continued**

Topic	Mandate	Status at End of May 2002
<b>Private-Sector Mandates with Costs That Could Not Be Estimated (Continued)</b>		
Northern Mariana Islands Covenant Implementation	Amends covenant to limit the number of temporary alien workers who can be legally present in the Commonwealth of the Northern Mariana Islands	Placed on the Senate calendar
Port and Maritime Security	Requires security upgrades at selected U.S. ports; requires certain importers to transmit manifest information electronically	Passed by the Senate <sup>f</sup>
Nuclear Security	Requires security upgrades at nuclear facilities	Passed by the House

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 each mandate topic.

COBRA = Consolidated Omnibus Budget Reconciliation Act of 1985; MTBE = methyl tertiary butyl ether.

- a. The thresholds, which are adjusted annually for inflation, were \$56 million a year for intergovernmental mandates and \$113 million a year for private-sector mandates in 2001.
- b. Public Law 107-71, the Aviation and Transportation Security Act, enacted November 19, 2001.
- c. Public Law 107-155, the Bipartisan Campaign Reform Act of 2002, enacted March 27, 2002.
- d. Public Law 107-171, the Farm Security and Rural Investment Act of 2002, enacted May 13, 2002.
- e. Public Law 107-147, the Job Creation and Worker Assistance Act of 2002, enacted March 9, 2002.
- f. The port and maritime security bill was amended on the floor of the Senate to increase the number of ports requiring a security upgrade. The amended version of the bill would impose costs on other levels of government and the private sector that would exceed the statutory thresholds.
- g. Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, enacted October 26, 2001.

**Table 5.**  
**Laws Enacted in 2001 That Contained Intergovernmental Mandates**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed Threshold? <sup>a</sup>
107-20	Supplemental Appropriations Act, 2001	Places a new reporting requirement on the District of Columbia	No	No
107-56	USA PATRIOT Act of 2001	Prohibits state, local, tribal, or territorial governments from disclosing that they have reported a suspicious financial transaction to a federal agency	No	No
		Preempts state liability laws and regulations relating to consumer reporting agencies that disclose consumer reports for counter-terrorism purposes	No	No
		Requires education agencies and institutions to disclose records to the Attorney General in a terrorism investigation or prosecution; preempts state liability laws relating to those agencies	No	No
		Restricts states' authority to issue licenses for operating motor vehicles to transport hazardous materials	No	No
107-66	Energy and Water Development Appropriations Act, 2002	Prohibits states from issuing a permit or lease for certain oil and gas drilling in the Great Lakes	No	No
107-71	Aviation and Transportation Security Act	Requires airport authorities to implement stricter security measures	Yes	No
		Preempts state liability laws relating to volunteers who provide emergency assistance	Yes	No
107-75	Internet Tax Nondiscrimination Act	Extends the prohibition on collecting certain types of state and local taxes	Yes	No

(Continued)

**Table 5.**  
**Continued**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed Threshold? <sup>a</sup>
107-77	Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2002	Expands an existing requirement that transportation officials report to the Immigration and Naturalization Service certain information about people traveling to the United States; authorizes the Attorney General to extend that requirement to cover any public or private carrier transporting people by land to the United States	No	No
107-87	Department of Transportation and Related Agencies Appropriations Act, 2002	Requires the Washington Metropolitan Area Transit Authority to change the name of the National Airport station and to change all signage and related documentation	Yes	No
107-96	District of Columbia Appropriations Act, 2002	Places new reporting and other requirements on the District of Columbia	No	No
107-104	An act to amend chapter 90 of title 5, U.S. Code, relating to federal long-term care insurance	Preempts state authority to tax certain federal long-term care policies	Yes	No
107-107	National Defense Authorization Act for Fiscal Year 2002	Allows the Secretary of Defense, under some circumstances, to waive compliance with state or territorial fish and game laws at military installations or facilities	Yes	No
		Preempts certain California state laws that would prohibit or restrict the construction or approval of a road or highway on an easement within the Camp Pendleton Marine Corps base	Yes	No
107-108	Intelligence Authorization Act for Fiscal Year 2002	Establishes the Commission on Preparedness and Performance of the Federal Government for the September 11 Acts of Terrorism and gives it authority to subpoena testimony and evidence	Yes	No

(Continued)

**Table 5.**  
**Continued**

Public Law Number	Name	Mandate	Was the Mandate Reviewed by CBO?	Do Costs Exceed Threshold? <sup>a</sup>
107-114	District of Columbia Family Court Act of 2001	Places new reporting and administrative requirements on the mayor and court system of the District of Columbia	Yes	No

SOURCE: Congressional Budget Office.

a. The threshold for intergovernmental mandates, which is adjusted annually for inflation, was \$56 million in 2001.

**Table 6.**  
**Number of CBO Mandate Statements for Bills, Proposed Amendments,**  
**and Conference Reports, 1996 to 2001**

	1996 <sup>a</sup>	1997	1998	1999	2000	2001	Total
<b>Intergovernmental Mandates</b>							
Total Number of Statements Transmitted	718	521	541	573	706	389	3,448
Number of Statements That Identified Mandates	69	64	64	81	77	50	405
Mandate costs would exceed threshold <sup>b</sup>	11	8	6	4	3	4	36
Mandate costs could not be estimated	6	7	7	0	1	3	24
<b>Private-Sector Mandates</b>							
Total Number of Statements Transmitted	673	498	525	556	697	389	3,338
Number of Statements That Identified Mandates	91	65	75	105	86	66	488
Mandate costs would exceed threshold <sup>b</sup>	38	18	18	20	6	18	118
Mandate costs could not be estimated	2	5	9	13	7	8	44

SOURCE: Congressional Budget Office.

NOTE: The numbers in this table represent official mandate statements transmitted to the Congress by CBO. 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, which 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 \$56 million and \$113 million, respectively, in 2001.



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