

CBO PAPER

AN ASSESSMENT
OF THE
UNFUNDED MANDATES REFORM ACT
IN 1999

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PREFACE

This paper is the fourth annual assessment of the Congressional Budget Office's (CBO's) activities under the Unfunded Mandates Reform Act (UMRA). The paper covers legislation before the Congress in 1999 that would impose federal mandates on other levels of government or the private sector. In addition, it examines amendments to UMRA enacted or proposed during 1999 and discusses a recent change in CBO's procedures for determining whether a bill is excluded from consideration under UMRA.

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INTRODUCTION

Title I of the Unfunded Mandates Reform Act of 1995 (UMRA) aims to ensure that the Congress knows the potential direct costs of federal mandates before it enacts legislation that would impose such mandates on state, local, and tribal governments or the private sector. UMRA does that, in part, by requiring the Congressional Budget Office (CBO) to give Congressional authorizing committees written statements about whether reported bills contain federal mandates. If the total direct costs of all intergovernmental and private-sector mandates in a bill would exceed specified thresholds in any of the first five fiscal years in which the mandate was effective, CBO must provide an estimate of those costs (if feasible) and explain the basis of the estimate. The statutory threshold is \$50 million for intergovernmental mandates and \$100 million for private-sector mandates (in 1996 dollars), adjusted annually for inflation. Each CBO mandate statement must also assess 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.

This paper reviews CBO's activities under title I of UMRA during 1999—its fourth year of providing information about federal mandates to the Congress. The paper lists the bills that CBO considered during the year and found to contain mandates above the relevant thresholds. It also examines recent legislative initiatives to amend UMRA and outlines a change in CBO's procedures for determining whether a bill is excluded from consideration under the act.

AN OVERVIEW OF UMRA IN 1999

In all, CBO reviewed more than 550 bills and other legislative proposals last year to determine whether they contained federal mandates (see Table 1). About 14 percent of them (81 bills) had intergovernmental mandates, and approximately 1 percent (four bills) had such mandates with costs that would exceed the threshold of \$50 million a year. In addition, CBO identified private-sector mandates in about 19 percent of the bills and amendments it examined; almost 4 percent (20 bills) had costs over the \$100 million annual threshold for such mandates, and another 2 percent (13 bills) had costs that could not be determined.

Multiple bills or proposals sometimes contain similar mandates. Consequently, CBO's mandate statements for different bills sometimes identify the same mandate. Although the number of bills with federal mandates in 1999 was noticeably higher than in previous years, the number of separate mandates was not. Hence, the increase in the number of bills with mandates appeared to occur primarily because the Congress considered more versions of the same bills last year than in prior years.

TABLE 1. NUMBER OF CBO MANDATE STATEMENTS FOR BILLS, PROPOSED AMENDMENTS, AND CONFERENCE REPORTS IN 1999

	Intergovernmental Mandates	Private-Sector Mandates
Total Number of Statements Transmitted	573	556
Number of Statements That Identified Mandates	81	105
Mandate costs would exceed threshold ^a	4	20
Mandate costs could not be estimated	0	13

SOURCE: Congressional Budget Office.

NOTE: The numbers in this table represent official statements transmitted to the Congress by CBO. CBO prepared more intergovernmental statements than private-sector 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 provision, and occasionally more than one formal CBO statement is issued for each mandate topic.

a. The thresholds are \$50 million a year (in 1996 dollars) for intergovernmental mandates and \$100 million a year (in 1996 dollars) for private-sector mandates. Those amounts are adjusted annually for inflation.

In 1999, the four bills with intergovernmental mandates above the cost threshold contained three separate mandates: new requirements regarding the confidentiality of health records (an unnumbered Senate proposal), a prohibition on Internet gambling (S. 692), and an increase in the minimum wage (H.R. 3081 and S. 192). Those mandates would affect state, local, and tribal governments as employers and as providers of certain health services. (Appendix A lists all of the bills and proposals that CBO reviewed in 1999 that contained intergovernmental mandates, regardless of the cost.) None of the intergovernmental mandates with costs above the threshold were enacted into law, and all were still pending before the Congress at the end of 1999 (see Table 2).

Of the 81 bills that CBO identified as containing intergovernmental mandates, more than 35 included preemptions of state and local laws. Many of those preemptions would affect state regulation of telecommunications, electronic commerce, and financial services. In all of those cases, CBO concluded that although the preemptions would limit the authority of state and local governments in a particular area, their implementation would not cause those governments to spend significantly more. Thus, the mandates would not have direct costs—as defined by UMRA—that exceeded the statutory threshold.

TABLE 2. STATUS OF 1999 MANDATES THAT WOULD EXCEED THE STATUTORY THRESHOLDS

Topic	Mandate	Status at End of 1999
Intergovernmental Mandates^a		
Health Information Confidentiality	Preempts health privacy laws and imposes new requirements on entities handling patients' health records	Referred to the Senate Committee on Health, Education, Labor, and Pensions
Internet Gambling	Prohibits gambling over the Internet, including certain tribal casino games	Passed by the Senate in narrower form
Minimum Wage ^b	Increases the minimum wage paid by employers covered under the Fair Labor Standards Act	Added as an amendment to S. 625 (the bankruptcy reform bill listed below) in the Senate and passed; on the calendar in the House
Private-Sector Mandates^a		
Bankruptcy Reform	Changes procedures for administering bankruptcy estates	Passed by the Senate
China's Normal Trade Relations	Increases tariff rates on importers of Chinese goods	Failed passage in the House
Health Information Confidentiality	Imposes new requirements on the use and disclosure of personal health information	Referred to the Senate Committee on Health, Education, Labor, and Pensions
Milk Price Structure	Changes the method by which minimum prices are established for fluid milk in different regions of the country	Placed on the Senate calendar
Minimum Wage ^b	Increases the minimum wage paid by employers covered under the Fair Labor Standards Act	Added as an amendment to S. 625 (the bankruptcy reform bill listed above) in the Senate and passed; on the calendar in the House
Patients' Bill of Rights	Imposes new requirements on group- and employer-sponsored health plans and on health insurance issuers	Placed on the Senate calendar
Steel Imports	Limits the volume of imported steel products	Cloture vote failed in the Senate
Taxpayer Relief and Tax Extenders	Changes or imposes taxes to raise revenues to offset costs imposed by other provisions in a bill	Several provisions passed in Public Law 106-170 ^{c, d}

(Continued)

TABLE 2. CONTINUED

Topic	Mandate	Status at End of 1999
Private-Sector Mandates^a (Continued)		
Work Incentives Improvement	Contains two tax provisions used as revenue offsets	Portions of the bill passed in Public Law 106-170 (but not the two tax mandates) ^c

SOURCE: Congressional Budget Office.

NOTE: 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 statement was issued for each mandate topic.

- a. The thresholds are \$50 million a year (in 1996 dollars) for intergovernmental mandates and \$100 million a year (in 1996 dollars) for private-sector mandates. Those amounts are adjusted annually for inflation.
- b. Each of the various legislative proposals to increase the minimum wage would impose federal mandates with costs above the statutory thresholds.
- c. The Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170) was signed into law on December 17, 1999.
- d. Ten tax provisions that were mandates in other bills passed in the Ticket to Work and Work Incentives Improvement Act of 1999. The three largest of those mandates would repeal the installment method for most taxpayers using the accrual basis, change the treatment of income and services provided by taxable subsidiaries of real estate investment trusts, and prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gains tax rates.

The 20 bills that CBO identified as having private-sector mandates over the threshold contained nine separate mandates covering a wide range of topics: bankruptcy reform, confidentiality in the use of patients' information, new methods to determine minimum milk prices, increases in the minimum wage, limits on imports of steel products, a patients' bill of rights, and various provisions that would change existing taxes or tariffs or impose new ones. (Eight of those 20 bills involved requirements to pay taxes or tariffs.)

In 1999, the Congress proposed using several tax provisions, in various combinations, to raise revenues in order to offset other provisions in bills that would increase federal spending or reduce federal revenues. The Joint Committee on Taxation identified seven bills with some combination of revenue provisions that would impose private-sector mandates with total costs above the statutory threshold. Ten of those revenue-raising tax provisions were enacted as part of the Ticket to Work and Work Incentives Improvement Act of 1999. The rest were still pending before the Congress at the end of 1999.

CBO determined that another 33 bills (almost 6 percent of last year's total) were either wholly or partially excluded from UMRA's procedures—generally because they contained provisions that would enforce the constitutional rights of individuals; would establish or enforce certain statutory rights prohibiting discrimination; would relate to the Old-Age, Survivors, and Disability Insurance programs under title II of the Social Security Act; would be necessary for national security; or would be required for the ratification or implementation of treaty obligations. Those and other exclusions are spelled out in section 4 of UMRA. In most cases, they apply to both intergovernmental and private-sector mandates.

Intergovernmental Mandates

Of the three intergovernmental mandates in 1999 whose costs would exceed the threshold, two would affect state and local governments as part of a larger mandated community—as health care providers in the case of health confidentiality, and as employers in the case of minimum wage legislation. In those instances, state and local governments would face roughly the same costs as other members of the mandated groups.

Health Information Confidentiality. In October 1999, CBO analyzed a legislative proposal called the Health Information Confidentiality Act of 1999 (HICA) for the Senate Committee on Health, Education, Labor, and Pensions. HICA was a compromise proposal based on three bills referred to that committee: the Medical Information Privacy and Security Act (S. 573); the Health Care Personal Information Nondisclosure Act of 1999 (S. 578); and the Medical Information Protection Act of 1999 (S. 881). HICA would grant people various rights to their personal health information and limit the unauthorized use and disclosure of that information by others.

CBO determined that HICA would impose mandates on all entities that create, maintain, or receive medical records, including health care providers, health insurance plans, health researchers, health oversight agencies, public health authorities, employers, law enforcement officials, life insurers, schools, and state health programs. The requirements governing the gathering, use, and disclosure of health information could result in significant administrative and procedural costs, especially during the first year of implementation. Because of the broad scope of the legislation, CBO estimated that the costs to both intergovernmental and private-sector entities would exceed the thresholds specified in UMRA, at least during the first year. At the end of 1999, HICA was still awaiting markup by the Committee on Health, Education, Labor, and Pensions.

Internet Gambling. The Internet Gambling Prohibition Act of 1999 (S. 692), as reported by the Senate Committee on the Judiciary on June 17, 1999, would prohibit

gambling over the Internet or through an interactive computer service. Such a prohibition would impose mandates on state, local, or tribal governments in at least two ways—which together would cost more than the statutory threshold starting in the first year after the bill's enactment.

First, S. 692 defines an interactive computer service as any information service, system, or provider of access software that gives multiple users access to a computer server. That definition is sufficiently broad that it would probably encompass the systems that tribal governments use to offer linked bingo and progressive slot machines. Linked bingo occurs when several tribes, either within a state or across many states, use an interactive computer service to simultaneously play one bingo game, thereby increasing the potential payoff to participants. Assuming that the bill would prohibit tribes from operating those games, the prohibition would constitute an intergovernmental mandate as defined by UMRA.

Progressive slot machines allow several tribes to link their slot machines using technology that apparently would also be prohibited by S. 692. As with linked bingo, slot machines are linked to increase the winnings available to participants. Because the legality of that practice is unclear under current law, CBO could not determine whether the prohibition in S. 692 would apply to it and thus constitute a new intergovernmental mandate or whether that practice is already prohibited.

Second, the prohibition on gambling over the Internet would constitute a mandate because state, local, and tribal governments would not be allowed to provide access to gaming or lottery sites that use the Internet. The bill also would preempt certain state liability laws as they apply to providers of interactive computer services.

The Senate passed an amended version of S. 692 that included a new section designed to alleviate many of the concerns about linked bingo and progressive slot machines that were raised in CBO's mandate statement. That version of the bill specified that under certain circumstances, the prohibition on Internet gambling using an interactive computer service to perform some classes of gambling, such as bingo and slot machines, would not apply to activities taking place as of September 9, 1999. Thus, the cost of the mandates in the amended bill would be unlikely to exceed the threshold in any one year.

Minimum Wage. CBO reviewed two bills in 1999 that would increase the federal minimum wage—currently \$5.15 per hour—by \$1 per hour. The Fair Minimum Wage Act of 1999 (S. 192), introduced by Senator Kennedy, would raise the minimum wage in two annual steps of 50 cents each. The Wage and Employment Growth Act of 1999 (H.R. 3081), as ordered reported by the House Committee on Ways and Means, would raise the minimum wage to \$6.15 per hour by April 2002.

CBO determined that both bills would impose intergovernmental and private-sector mandates because they would force employers covered under the Fair Labor Standards Act—including state, local, and tribal governments—to pay higher minimum wages than current law requires. The direct costs of the mandates in both bills would exceed the statutory thresholds for intergovernmental and private-sector mandates. CBO estimated that over five years, S.192 would cost governments (as employers) almost \$1.2 billion, and H.R. 3081 would cost them almost \$0.9 billion. The direct cost to private-sector employers during the first five years would be about \$17.2 billion under S. 192 and about \$13.3 billion under H.R. 3081, CBO estimated. Neither of the bills has been enacted into law, although a similar provision was incorporated into S. 625 and passed by the Senate in early February 2000.

Private-Sector Mandates

Nine of the mandates that the Congress considered in 1999 would impose costs of \$100 million or more a year on the private sector, in CBO's view. Two of those mandates—relating to the minimum wage and health information confidentiality—would affect the private sector and state, local, and tribal governments in similar ways and are discussed in the previous section. Of the rest, four would impose new requirements on various segments of the private sector, and three would involve taxes or tariffs. In addition, the Congress considered several bills that contained private-sector mandates whose costs CBO could not determine.

Bankruptcy Reform. During 1999, the Congress examined proposals to address the abuse of the bankruptcy system by people who can afford to pay some portion of their debts. CBO prepared mandate statements for two reform bills: the Bankruptcy Reform Act of 1999 (H.R. 833), as reported by the House Committee on the Judiciary, and the Bankruptcy Reform Act of 1999 (S. 625), as reported by the Senate Committee on the Judiciary. Although the House and Senate bills differ, they both would incorporate means-testing in the bankruptcy system. In other words, people with income over a certain level could be required to repay debt over time out of their future income rather than immediately discharging certain debt and leaving their future income unencumbered.

Both bills would impose new private-sector mandates on bankruptcy attorneys and creditors. The largest potential costs are associated with the mandates on attorneys. Bankruptcy attorneys would be required to make reasonable inquiries to confirm that the information in documents they submitted to courts or bankruptcy trustees was not misrepresented. To avoid sanctions and potential civil penalties, they would need to verify the information they received from clients about lists of creditors, assets and liabilities, and income and expenditures. CBO estimated that complying with that requirement would cost attorneys between \$190 million and \$640 million in fiscal year 2000 under H.R. 833 and S. 625. However, CBO expects

that bankruptcy attorneys would pass those costs on to debtors, reducing the pool of funds available to creditors. The Senate passed an amended version of S. 625 in early February 2000.

Milk Price Structure. H.R. 1402, as reported by the House Agriculture Committee in June 1999, would require the Secretary of Agriculture to modify final rulemaking procedures to change the way minimum prices are set for fluid milk in different regions of the country. Specifically, the bill would require formal rulemaking procedures to develop pricing methods—known as marketing orders—for milk used in manufactured dairy products (cheese, butter, and nonfat dry milk). In addition, the bill would modify the formula for setting minimum cheese prices, pending a final rule. H.R. 1402 would impose a private-sector mandate by requiring milk handlers that are regulated by federal marketing orders to pay a higher price for milk than they would have to otherwise. Based on projections of milk production, CBO estimated that the bill would require handlers to pay milk producers about \$140 million more per year.

Patients' Bill of Rights. The Congress considered at least two bills in 1999 that would establish federal standards for managed care and other forms of health insurance. CBO prepared mandate cost estimates for the Patients' Bill of Rights Act (S. 326), as introduced by Senator Jeffords and ordered reported by the Committee on Health, Education, Labor, and Pensions, and for the Patients' Bill of Rights Act of 1999 (S. 6), as introduced on January 19, 1999. In general, the provisions in those bills would improve access to emergency and specialty care, provide information to consumers, expand point-of-service options, and require grievance and appeals processes. S. 6 and S. 326 would also impose new functions and operating practices on private insurers and health plans that would create private-sector mandates. Some differences exist in the details of the two bills' provisions. Nevertheless, CBO estimated that the direct costs of the private-sector mandates in each bill would total about \$56 billion over five years.

Steel Imports. H.R. 975, as ordered reported by the House Committee on Ways and Means in March 1999, would impose private-sector mandates by temporarily limiting imports of steel and steel products into the United States and establishing a notification and monitoring program for those imports. In effect, the bill would prohibit imports of certain steel products in excess of the average volume of such products that was imported monthly into the United States during the three-year period before July 1997. That limit would reduce the availability of imported steel and raise the prices that U.S. importers face. Just how much prices would rise is uncertain, but based on published estimates of demand elasticities for steel products, CBO estimated the increased cost to importers at nearly \$400 million in fiscal year 2000, \$340 million in 2001, and \$150 million in 2002. H.R. 975 would also require importers of certain products to obtain a steel import notification certificate from the Department of Commerce. CBO estimated that doing so would cost importers about

\$500,000 annually. H.R. 975 reached the floor of the Senate but failed to pass a cloture vote.

Tax Offset Provisions as Mandates. The Taxpayer Relief and Refund Act of 1999 (H.R. 2488), originally called the Financial Freedom Act of 1999, contained several provisions that the Joint Committee on Taxation (JCT) identified as private-sector mandates because they would change the tax code to increase revenues. (In effect, those provisions were included in the bill as an offset for provisions that would increase spending or reduce revenues.) The primary purpose of the bill was to provide a set of tax cuts estimated to total \$792 billion over 10 years. President Clinton vetoed H.R. 2488 in September 1999. However, a majority of the tax offset provisions in the bill that were identified as mandates appeared in six other bills related to extending expiring tax and tariff provisions (see Table 3).

The JCT also identified two revenue offsets in an early version of the Work Incentives Improvement Act (S. 331) as private-sector mandates with costs above the threshold. Later versions of that bill did not include the provisions, and the mandate costs in those versions of S. 331 fell below the threshold. The bill was enacted in December 1999 as a part of the Ticket to Work and Work Incentives Improvement Act (P.L. 106-170).

Tariff Provisions as Mandates. House Joint Resolution 57—rejecting the extension of nondiscriminatory (or most-favored-nation) treatment to imports from the People's Republic of China—would terminate China's normal trade relations status. CBO estimated that by raising tariff rates on goods imported from China, the resolution would cost the private sector more than \$500 million in fiscal year 2000. The resolution failed passage in the House.

Mandates with Uncertain Costs. For 13 of the 105 bills with private-sector mandates that were identified last year, CBO could not determine whether their costs would exceed the threshold. That uncertainty arose for one or more reasons:

- o Uncertainty about whom the bill's provisions would affect,
- o Ambiguous language in UMRA about how to treat extensions of existing mandates,
- o Dependence of costs on future regulations, or
- o Lack of essential information.

In a few cases, CBO could not determine accurately how many people would be affected by a proposed mandate. For example, the Collections of Information Antipiracy Act (H.R. 354) would impose a mandate by granting copyright-like

TABLE 3. BILLS BEFORE THE CONGRESS IN 1999 THAT CONTAINED TAX OFFSET PROVISIONS CONSTITUTING PRIVATE-SECTOR MANDATES THAT WOULD EXCEED THE STATUTORY THRESHOLD

Bill Number	Name and Major Purposes	Tax Offset Provisions Identified as Mandates (See notes on next page)
H.R. 2488	Financial Freedom Act of 1999 Provides \$792 billion tax cut over 10 years; expands tax-advantaged education savings accounts; extends expiring tax benefit provisions	1, 3, 7, 8, 9, 10, 12, 13, 18, 20, 22
S. 331	Work Incentives Improvement Act of 1999 Expands health care coverage for disabled workers	12, 16
S. 1134	Affordable Education Act of 1999 Expands tax-advantaged education savings accounts	1, 4, 6, 10, 12, 16, 20, 22
S. 1429	Taxpayer Refund Act of 1999 Provides \$792 billion tax cut over 10 years; extends expiring research and development tax credit	1, 2, 3, 6, 8, 10, 11, 12, 13, 14, 15, 16, 18, 20, 21, 22
S. 1792	Tax Relief Extension Act of 1999 Extends expiring tax benefit provisions	1, 2, 3, 5, 6, 8, 10, 11, 12, 13, 15, 18, 19, 20, 21, 22
S. 1388	A bill to extend the Generalized System of Preferences Extends certain expired trade preferences	17, 20
S. 1389	United States-Caribbean Basin Trade Enhancement Act Provides tariff and quota advantages to certain products of beneficiary countries under the Caribbean Basin Initiative trade program	17, 20

SOURCE: Congressional Budget Office.

NOTES: The statutory threshold for private-sector mandates is \$100 million a year (in 1996 dollars), adjusted annually for inflation.

The Joint Committee on Taxation (JCT) determines mandates and their costs for provisions that affect the tax code. The mandates in this table are those identified by JCT when a bill was reported by an authorizing or conference committee.

(Continued)

TABLE 3. CONTINUED

Tax offset provisions:

1. Add certain vaccines against streptococcus pneumoniae to the list of taxable vaccines.*
2. Change the tax treatment of prohibited allocations of stock in an employee stock ownership plan of a subchapter S corporation.
3. Change the treatment of income and services provided by taxable subsidiaries of real estate investment trusts.
4. Clarify the definition of "subject to" liabilities.
5. Clarify the tax treatment of income and losses on derivatives.*
6. Deny charitable contribution deductions for transfers associated with split-dollar insurance arrangements.*
7. Exclude like-kind exchange property from nonrecognition treatment on the sale of a personal residence.
8. Impose a 10 percent vote or value test.*
9. Impose a 1.5 percent surtax on wholesale dealers of distilled spirits.
10. Impose a limit on prefunding of certain employee benefits.
11. Limit distributions of stock in another corporation by a partnership to a corporate partner.*
12. Limit the use of the nonaccrual experience method of accounting.
13. Limit taxpayers' ability to convert the character of income from constructive ownership transactions; prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gains rates.*
14. Modify antiabuse rules related to the assumption of liabilities.
15. Modify the estimated tax rules of closely held real estate investment trusts.*
16. Modify the foreign tax credit carryback and carryover periods.
17. Modify the pledge rule for dispositions of property.*
18. Modify the treatment of certain closely held real estate investment trusts.
19. Prevent duplication or acceleration of loss through assumption of certain liabilities.
20. Repeal the installment method for most taxpayers using the accrual basis.*
21. Require consistent treatment and provide basis-allocation rules for transfers of intangibles in certain nonrecognition transactions.
22. Require reporting of information about cancellation of indebtedness by nonbank financial institutions.*

* A form of this provision was enacted in the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170).

protection to certain collections of information that are not protected by copyright law. Firms that commercially exploited such collections without first obtaining the permission of the owners would have to pay license fees to the owners or excise the infringing materials from their products. CBO could not estimate the costs of that mandate, however, because it did not have enough information to determine the scope and impact of the new protections.

For two bills, the NRC Fairness in Funding Act of 1999 (S. 1627) and the Nuclear Regulatory Commission Authorization Act for Fiscal Year 2000 (H.R. 2531), CBO was unable to say whether the mandates would exceed the cost threshold because they were extensions of an existing mandate—the Nuclear Regulatory Commission's authority to charge annual license fees to offset its general fund appropriation. Ambiguity in UMRA's definition of direct costs makes it unclear whether CBO should measure the change in the cost of an extended mandate from the current level or from the level that would exist if the mandate was allowed to expire (usually zero). If the former, a mandate extended with no changes would result in no additional costs. If the latter, the extended mandate would be treated as a new mandate, and all costs above those that would be incurred anyway would be attributed to the legislation.

In another case, CBO could not estimate the costs of a mandate because those costs would depend on specific regulations that would be developed and issued some time in the future. The East Timor Self-Determination Act of 1999 (S. 1568) would prohibit the export or delivery to Indonesia of items on the U.S. Munitions List unless those items were designated for international peacekeeping forces or humanitarian assistance. The State Department is in the final stages of issuing guidelines on prohibitions of defense-related exports to Indonesia. Based on information from government sources, CBO expected that the prohibitions in S. 1568 would be more restrictive than the rules likely to be issued. But without more specific information about the State Department guidelines, CBO had no basis for estimating how costly the loss of income from S. 1568 would be to the private sector.

In addition, CBO was unable to estimate the costs of some mandates because reliable data were not available. The Year 2000 Readiness and Responsibility Act (H.R. 775) and two other versions of that bill would create private-sector mandates on prospective plaintiffs and attorneys in disputes related to Y2K computer problems. Projecting the costs of those mandates proved impossible because CBO had no basis for predicting the number of lawsuits related to Y2K problems. (A version of H.R. 775 was signed into law on July 20, 1999, as P.L. 106-37.)

A similar estimation problem occurred in CBO's analysis of private-sector mandates in the Worker Paycheck Fairness Act (H.R. 2434). That bill would require labor organizations that have union security agreements—which require union and nonunion members to pay dues or fees to the union as a condition of employment—

to obtain written authorization from workers before using any portion of those payments for activities other than representing employees. The cost of that mandate would depend on the number of workers from whom authorization was requested and the average cost to the union of requesting an authorization. Little information exists about either of those quantities. Moreover, the prevalence and magnitude of unions' spending on nonrepresentation activities, which could be used as a basis for estimating both of those quantities, is also unknown.

COSTS TO STATE, LOCAL, OR TRIBAL GOVERNMENTS FROM 1999 LEGISLATION

Of the 170 public laws enacted in 1999, fewer than 1 percent (13 laws) contained an intergovernmental mandate as UMRA defines it (see Table 4). Moreover, none of those mandates would impose annual costs on state, local, or tribal governments exceeding the statutory threshold, CBO estimates. Only two laws enacted in 1999 contained mandates that CBO had not reviewed at some point during the legislative process. In both of those cases, the mandates were part of appropriation bills, which CBO does not review for mandates unless specifically requested to.

Not all of the impact that Congressional action has on state and local budgets is the result of mandates. More than 60 bills reviewed in 1999 contained provisions that would impose additional costs on state, local, or tribal governments through vehicles other than mandates, as defined by UMRA. Almost all of those provisions dealt with conditions for receiving federal aid or for participating in voluntary federal programs, which UMRA does not consider mandates. About half of those bills would impose significant costs on participating state or local governments. For example, the National Salvage Motor Vehicle Consumer Protection Act of 1999 (S. 655), as reported by the Senate Committee on Commerce, Science, and Transportation in June 1999, contained no intergovernmental mandates, according to CBO, but would place added requirements on states that chose to participate in the National Motor Vehicle Title Information System. Additional costs to those states would include one-time costs to modify vehicle titles and print new forms as well as higher annual operating expenses. Such costs could reach into the millions of dollars for participating states.

In the other direction, CBO identified more than 140 bills that would provide net benefits or result in budgetary savings for state, local, or tribal governments. Such bills covered a wide range of activities—from conveying land and assets to public entities at no cost to creating grant and loan assistance programs.

TABLE 4. LAWS ENACTED IN 1999 THAT CONTAINED INTERGOVERNMENTAL MANDATES

Public Law	Name	Mandate	Does Law Contain a Mandate Not Reviewed by CBO?	Do Costs Exceed Threshold?
106-37	Y2K Act	Imposes strict guidelines on state courts for managing Year 2000 liability lawsuits; limits punitive damages that states can receive when they act as plaintiffs	No	No
106-40	Chemical Safety Information, Site Security and Fuels Regulatory Relief Act	Preempts state and local freedom-of-information laws by imposing federal guidelines for the release of some information contained in risk-management plans	No	No
106-66	A bill to direct the Secretaries of Agriculture and Interior to convey certain lands in San Juan County, New Mexico, to San Juan College	Requires San Juan College to pay for a land survey	No	No
106-69	Department of Transportation and Related Agencies Appropriations Act, 2000	Prohibits states from selling information about drivers to marketers without the drivers' express consent	No	No
106-74	Departments of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act, 2000	Preempts state housing regulations	Yes	No
106-78	Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000; Livestock Mandatory Reporting Act of 1999	Title IX of this law (the Livestock Mandatory Reporting Act of 1999) preempts any state or local law that is in addition to, or inconsistent with, any of this law's requirements	No	No
106-81	Wireless Communications and Public Safety Act of 1999	Requires states to provide an equal standard of liability for users, providers, and dispatchers of wireless and wireline 911 services	No	No

(Continued)

TABLE 4. CONTINUED

Public Law	Name	Mandate	Does Law Contain a Mandate Not Reviewed by CBO?	Do Costs Exceed Threshold?
106-98	District of Columbia College Access Act of 1999	Imposes administrative requirements on the mayor of the District of Columbia	No	No
106-102	Gramm-Leach-Bliley Act	Preempts state banking, insurance, and securities laws; requires a majority of states to adopt uniform licensing requirements for insurance sales	No	No
106-113	An act making consolidated appropriations for the fiscal year ending September 30, 2000, and for other purposes	Imposes various mandates on the mayor, the school district, and the University of the District of Columbia; imposes restrictions on the use of land owned by certain Indian tribes	Yes	No
106-117	Veterans Millennium Health Care and Benefits Act	Prohibits public hospitals from suing veterans for payment	No	No
106-159	Motor Carrier Safety Improvement Act of 1999	Requires states to conform to specific procedures when issuing commercial driver's licenses	No	No
106-170	Ticket to Work and Work Incentives Improvement Act of 1999	Preempts state privacy laws by deeming certain practices of the Social Security Administration as meeting state laws; increases some excise taxes paid by state and local entities	No	No

SOURCE: Congressional Budget Office.

NOTE: The threshold for intergovernmental mandates is \$50 million a year (in 1996 dollars), adjusted annually for inflation.

RECENT CHANGES TO UMRA

The Congress considered two proposals during 1999 to change the Unfunded Mandates Reform Act. One was enacted and the other is pending. The Congress amended UMRA to require authorizing committees and CBO to provide more information in committee reports and mandate statements for bills that would affect certain large entitlement programs. In addition, the House considered but did not pass a proposal that would expand the definition of intergovernmental mandates and make procedural changes to UMRA as it relates to private-sector mandates.

In other changes, CBO altered its procedures for determining whether a bill is excluded from consideration under UMRA. CBO began implementing that change in January 2000.

A Legislative Change: UMRA and Large Entitlement Grant Programs

In 1999, the Congress amended UMRA for the first time since the law was enacted four years ago. The State Flexibility Clarification Act (P.L. 106-141) requires authorizing committees and CBO to provide more information in committee reports and mandate statements for legislation that would “place caps upon, or otherwise decrease, the federal government’s responsibility to provide funding to state, local, or tribal governments” under various large entitlement grant programs (such as Medicaid, Temporary Assistance for Needy Families, and Food Stamps). Under that amendment, if a bill or joint resolution would cap or reduce federal spending for such a program, the authorizing committee must state specifically how it intends for the states to implement the change and to what extent the legislation provides additional flexibility, if any, to offset states' costs.

The new information that CBO must provide depends on whether a bill would provide flexibility to states. If it would cap or reduce federal spending for a large entitlement grant program but not also provide additional flexibility to states to offset that reduction, CBO must describe whether and how states can offset the reduction under existing law. If the legislation would provide additional flexibility, CBO must estimate whether the resulting savings would offset the reductions included in the bill, assuming that states take full advantage of the flexibility.

The effect of those new requirements will be to increase the amount of information provided to the Congress for authorizing bills that alter federal spending for various large entitlement programs. The number of bills affected by that change is likely to be small, however, so CBO does not expect its workload to increase significantly. (In 1999, five bills that addressed entitlement programs would have been affected by the new provisions.)

A Proposed Change: The Mandates Information Act

In 1999, not a single intergovernmental mandate with costs above the UMRA threshold became law. That apparent success of UMRA in raising Congressional consciousness about unfunded intergovernmental mandates has prompted some Members to propose expanding the act's provisions for private-sector mandates. In addition, despite the newly enacted State Flexibility Clarification Act, state and local governments remain concerned that future legislation could limit or reduce federal spending for large entitlement programs, possibly leaving them to make up the difference. Their concern has resulted in efforts to amend UMRA's definition of a mandate as it relates to such programs.

The Mandates Information Act of 1999 (H.R. 350), sponsored by Congressman Condit and others, would address both of those issues. It would establish new procedural hurdles for private-sector mandates, direct CBO to furnish additional types of cost information about them, and change the definition of intergovernmental mandates in the context of large entitlement programs. A companion bill (S. 427) introduced by Senator Abraham contains similar provisions for private-sector mandates. H.R. 350 passed the House in February 1999; the Senate has taken no action on the companion bill, however.

Consideration of Private-Sector Mandates. UMRA permits Members of the House and Senate to raise a point of order on any bill that they believe contains an intergovernmental mandate with costs exceeding the statutory threshold. (Unless waived by a majority vote, a point of order prohibits further floor action on the bill.) In the case of private-sector mandates, however, although UMRA directs CBO to estimate whether such mandates exceed their cost threshold, it does not permit a point of order if they do.

The Mandates Information Act would establish a point of order against considering bills that contain private-sector mandates with annual costs of more than \$100 million (in 1996 dollars). The new point of order could be overcome in both Houses by a majority vote, just like the point of order on intergovernmental mandates. Thus, it would not be an insurmountable obstacle to a bill's passage, but it would raise the stakes in deliberating about private-sector mandates. It could also increase the demand for cost information about such mandates earlier in the legislative process, as drafters tried to avoid having their bill subject to it.

For the purpose of determining whether a point of order applied to a bill, the House version of the Mandates Information Act would exclude mandate costs attributable to tax or tariff provisions if those provisions, taken together, would not raise net revenues over the first five fiscal years they were in effect. In other words, H.R. 350 would change how costs in a bill were evaluated against the statutory threshold. For example, a bill containing tax or tariff provisions that exceeded the

\$100 million threshold for private-sector mandates in a given year but resulted in an overall net reduction of tax or tariff revenue over a five-year period would not be subject to a point of order (provided it did not include other non-revenue-related private-sector mandates above the threshold). Supporters of that provision say it would avoid the problem of triggering a point of order when a tax increase was proposed to offset some tax cut.

Opponents of the provision disagree with the special treatment that it would afford to tax bills. They argue that a measure increasing taxes on one economic sector might be subject to a point of order under UMRA if it dedicated the new revenues to any other purpose than the relief of tax burdens on another sector. They would prefer to see either no special exclusion for tax provisions or an exclusion that also granted special treatment to mandatory spending.

Both the House and Senate versions of the Mandates Information Act would also require CBO to provide expanded cost information for private-sector mandates with costs over the threshold. That information would include the mandates' effects on consumer prices; on workers' wages, benefits, and employment opportunities; and on the profitability of small businesses—including any disproportionate impact in particular regions or industries. Such indirect effects occur when the costs of a mandate imposed on one party are passed along to other parties in the form of higher prices for finished goods or lower prices for intermediate inputs, including lower wages for workers. Those effects go beyond the direct costs of complying with a federal mandate, which CBO is now required to estimate. However, CBO included information about significant indirect effects in some of its cost statements for private-sector mandates last year, the most notable example being its estimates for minimum wage legislation.

Redefining Some Intergovernmental Mandates. Section 5 of H.R. 350 would change the definition of an intergovernmental mandate as it relates to large entitlement grant programs, which it defines as “federal programs under which \$500 million or more is provided annually to state, local, and tribal governments under entitlement authority.” Those programs include Medicaid, Food Stamps, the federal foster care program, Temporary Assistance for Needy Families, Social Services Block Grants, Vocational Rehabilitation State Grants, Adoption Assistance and Independent Living, the Job Opportunities and Basic Skills (JOBS) program, and Child Support Enforcement.

By UMRA's current definition, an increase in the stringency of grant conditions or a decrease in federal funding for an entitlement program is a mandate only if the state or local governments that administer the program lack the flexibility to make changes to offset the new costs or the decrease in funding. For most such changes proposed over the past four years, CBO has estimated that states could avoid additional costs by reducing either the amount of money they spend or the services they

provide at their option. The major exceptions have occurred with the Food Stamp and foster care programs, because states lack flexibility under current law to change those programs' parameters to offset higher costs.

Under H.R. 350, by contrast, changes to entitlement programs that imposed new conditions on states or decreased federal funding by more than the threshold would always constitute an intergovernmental mandate unless the bill making the change also gave states and localities new flexibility within the program to offset the new cost. Under that definition, the fact that states have significant flexibility under current law to reduce or eliminate optional services in most of those programs would not be considered in determining whether a mandate existed.

The revised definition would pose several challenges for the Congress. To avoid a point of order, lawmakers would need to pair new grant conditions or funding caps with new cost-saving options or relaxations of existing grant conditions. That requirement would apply even for block-grant programs that already have few or no conditions attached to them and even for programs (such as Medicaid) in which a large percentage of spending is at the discretion of the states.

A Procedural Change: CBO's Interpretation of the National Security Exclusion

Not all reported legislation is subject to UMRA. The act excludes bills or provisions that enforce the constitutional rights of individuals; establish or enforce statutory rights that prohibit discrimination; require compliance with certain accounting procedures; provide emergency assistance at the request of state, local, or tribal governments; are necessary for the national security or the ratification or implementation of international treaty obligations; are emergencies as designated by the President and the Congress; or relate to certain programs of the Social Security Act. But how broadly or narrowly should those exclusions be interpreted? The basic purposes of UMRA are to provide "for the development of information about the nature and size of mandates in proposed legislation" and "to promote informed and deliberate decisions by Congress on the appropriateness of federal mandates in any particular instance."¹ Applying the exclusions broadly would limit the information provided to the Congress and could defeat those purposes. For that reason—and on the basis of discussions with Congressional staff who were involved in the development and passage of UMRA—CBO believes that the Congress intended for all of the exclusions to be applied narrowly and only in cases in which budget considerations, such as who should bear the costs of legislation, should not be part of the debate.

1. Sections 2(3)(A) and 2(4) of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1501, 109 Stat. 48.

In general, CBO has had little trouble applying the exclusions narrowly. But in the case of bills or provisions that are “necessary for the national security,” CBO has become increasingly uncertain about what qualifies, especially since UMRA’s language and legislative history provide little guidance on what that phrase means. For example, scores of bills reported each year establish foreign policy priorities, provide direction and authority to the executive branch for international involvement, authorize the purchase of equipment for the armed forces, or provide benefits to current service members or veterans. Although national security considerations (among other things) certainly motivate the development of such legislation, a great deal of disagreement often occurs about whether a provision or bill is “necessary” for those purposes. By applying or not applying the national security exclusion, CBO is in effect making a judgment about necessity. The agency believes that such a judgment should, to the greatest extent possible, be left to the Congress.

To ensure that lawmakers receive as much information as possible about potential mandates and to limit occasions when CBO must decide what is necessary for national security, CBO will now interpret “necessary for the national security” to refer only to bills or provisions that are *immediately necessary to protect vital national security interests*. Under that change, most of the bills relating to defense, international relations, and veterans’ affairs that were excluded in 1999 or earlier would be reviewed for mandates if they came up now, because they would not satisfy the narrow interpretation. That does not mean CBO believes such bills are not necessary for national security. Rather, the agency believes that the Congress originally intended to have the exclusions interpreted narrowly, so any contrary interpretation should come from the Congress. CBO will determine that and other exclusions on a case-by-case basis.

APPENDIX A: LIST OF BILLS IN 1999 THAT CONTAINED INTERGOVERNMENTAL 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 1999 that would impose federal mandates on state, local, or tribal governments—regardless of whether the estimated costs of those mandates would be more or less than \$50 million per year (in 1996 dollars) and regardless of whether the legislation was enacted. Table A-1 lists those bills in numerical order, including various versions of the same bill considered by different committees.

TABLE A-1. BILLS REVIEWED BY THE CONGRESSIONAL BUDGET OFFICE IN 1999 THAT CONTAINED INTERGOVERNMENTAL MANDATES

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Exceeding the Statutory Threshold		
H.R. 3081	Wage and Employment Growth Act of 1999	Increases the minimum wage paid by employers covered under the Fair Labor Standards Act
S. 192	Fair Minimum Wage Act of 1999	Increases the minimum wage paid by employers covered under the Fair Labor Standards Act
S. 692	Internet Gambling Prohibition Act of 1999	Prohibits gambling over the Internet, including certain tribal casino games
Unnumbered Senate proposal	Health Information Confidentiality Act of 1999	Preempts health privacy law and imposes new requirements on entities handling patients' health records
Intergovernmental Mandates with Costs Below the Statutory Threshold		
H.R. 2	Student Results Act of 1999	Preempts state laws that prevent or restrict liability protection for teachers
H.R. 10	Financial Services Act of 1999	Preempts state banking, insurance, and securities laws
H.R. 45	Nuclear Waste Policy Act of 1999	Preempts any state law that conflicts with the act; increases the costs of existing mandates in Nevada
H.R. 354	Collections of Information Antipiracy Act	Preempts state laws protecting collections of information
H.R. 416 (Government Reform)	Federal Retirement Coverage Corrections Act	Requires the District of Columbia to correct errors in its retirement system
H.R. 416 (Ways and Means)	Federal Retirement Coverage Corrections Act	Requires the District of Columbia to correct errors in its retirement system
H.R. 438	Wireless Communications and Public Safety Act of 1999	Requires states, after two years and in the absence of state legislation, to provide an equal standard of liability for users and providers of wireless and wireline 911 services
H.R. 462	An act to clarify that governmental pension plans of the possessions of the United States shall be treated in the same manner as state pension plans	Prohibits territories from taxing nonresidents' pensions

(Continued)

TABLE A-1. CONTINUED

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold (Continued)		
H.R. 562	An act to approve and ratify certain transfers of land and natural resources by or on behalf of the Delaware Nation of Indians and for other purposes	Extinguishes land claims of Delaware tribes
H.R. 695	An act to direct the Secretary of Agriculture and the Secretary of the Interior to convey an administrative site in San Juan County, New Mexico, to San Juan College	Requires San Juan College to pay for a land survey
H.R. 775	Year 2000 Readiness and Responsibility Act	Imposes strict guidelines on state courts for managing Year 2000 lawsuits; limits punitive damages that states can receive when they act as plaintiffs
H.R. 833	Bankruptcy Reform Act of 1999	Preempts certain state contract laws
H.R. 850 (International Relations)	Security and Freedom Through Encryption (SAFE) Act	Preempts state requirements for use of encryption
H.R. 850 (Commerce)	Security and Freedom Through Encryption (SAFE) Act	Preempts state requirements for use of encryption
H.R. 850 (Judiciary)	Security and Freedom Through Encryption (SAFE) Act	Preempts state requirements for use of encryption
H.R. 851	Save Our Satellites Act of 1999	Imposes reporting requirements on public television stations
H.R. 858	District of Columbia Court Employees Whistleblower Protection Act of 1999	Amends statutes of the District of Columbia
H.R. 858 (Senate)	District of Columbia Court Employees Whistleblower Protection Act of 1999	Amends statutes of the District of Columbia
H.R. 940	Lackawanna Valley National Heritage Area Act of 1999	Requires a public authority to develop a management plan
H.R. 974	District of Columbia College Access Act	Imposes administrative requirements on the mayor of the District of Columbia
H.R. 974 (Senate)	District of Columbia College Access Act	Imposes administrative requirements on the mayor of the District of Columbia

(Continued)

TABLE A-1. CONTINUED

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold (Continued)		
H.R. 1000	Aviation Investment and Reform Act for the 21st Century	Preempts state liability and counseling laws
H.R. 1027	Copyright Compulsory License Improvement Act	Imposes reporting requirements on public television stations
H.R. 1300	Recycle America's Land Act of 1999	Preempts certain state liability laws
H.R. 1401	National Defense Authorization Act for Fiscal Year 2000	Increases the burden on state and local governments for paying the health care costs of their employees
H.R. 1714 (Judiciary)	Electronic Signatures in Global and National Commerce Act	Preempts state laws that regulate interstate electronic commerce transactions
H.R. 1714 (Commerce)	Electronic Signatures in Global and National Commerce Act	Preempts state laws that regulate interstate electronic commerce transactions
H.R. 1752	Federal Courts Improvement Act of 1999	Preempts state firearm laws by permitting judicial officers of the United States to carry a firearm without a state permit; requires certain employees of state and local governments to be available for jury duty
H.R. 1802	Foster Care Independence Act of 1999	Preempts state privacy laws by deeming certain practices of the Social Security Administration as meeting state laws
H.R. 1832	Muhammad Ali Boxing Reform Act	Requires state boxing commissions to establish procedures to regulate the activities of certain suspended boxers
H.R. 1858	Consumer and Investor Access to Information Act of 1999	Preempts state laws protecting collections of information
H.R. 2005	Workplace Goods Job Growth and Competitiveness Act of 1999	Preempts state statutes of repose that limit when certain law suits may be filed
H.R. 2084	Department of Transportation and Related Agencies Appropriations Act, 2000	Prohibits states from selling information about drivers to marketers without the drivers' express consent
H.R. 2116 (Introduced version)	Veterans' Millennium Health Care Act	Prohibits public hospitals from suing veterans for payment; preempts state laws regarding certain payment recovery

(Continued)

TABLE A-1. CONTINUED

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold (Continued)		
H.R. 2116 (Veterans Affairs)	Veterans' Millennium Health Care Act	Prohibits public hospitals from suing veterans for payment; preempts state laws regarding certain payment recovery
H.R. 2130	Hillary J. Farias Date-Rape Prevention Drug Act of 1999	Imposes reporting requirements on public hospitals for drugs placed on controlled substance schedule
H.R. 2260 (Commerce)	Pain Relief Promotion Act of 1999	Preempts Oregon's law on assisted suicide
H.R. 2260 (Judiciary)	Pain Relief Promotion Act of 1999	Preempts Oregon's law on assisted suicide
H.R. 2434	Worker Paycheck Fairness Act of 1999	Imposes requirement to post notices informing employees of certain rights
H.R. 2488	Financial Freedom Act of 1999	Increases certain taxes paid by state and local entities
H.R. 2531	Nuclear Regulatory Commission Authorization Act for Fiscal Year 2000	Imposes fees on nuclear power plants
H.R. 2547	Chugach Alaska Natives Settlement Implementation Act of 1999	Results in a taking of property owned by Alaska native village corporations
H.R. 2580	Land Recycling Act of 1999	Preempts certain state liability laws
H.R. 2634	Drug Addiction Treatment Act of 1999	Preempts certain state narcotics laws
H.R. 2679	Motor Carrier Safety Act of 1999	Requires states to conform to specific procedures when issuing commercial driver's licenses
H.R. 2681	Rail Passenger Disaster Family Assistance Act of 1999	Preempts certain state liability and counseling laws
H.R. 2923	An act to amend the Internal Revenue Code of 1986 to extend expiring provisions, to fully allow the nonrefundable personal credits against regular tax liability, and for other purposes	Increases certain taxes paid by state and local entities
H.R. 3002	Resources Reports Restoration Act	Requires territorial governments to submit a report to the Congress

(Continued)

TABLE A-1. CONTINUED

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold (Continued)		
H.R. 3244	Trafficking Victims Protection Act of 1999	Preempts state laws regarding the forfeiture of property for individuals convicted of trafficking in people
S. 82	Air Transportation Improvement Act	Prohibits Alaska and Hawaii from collecting passenger facility charges
S. 96	Y2K Act	Preempts state court procedures and liability laws
S. 293	An act to direct the Secretaries of Agriculture and Interior to convey certain lands in San Juan County, New Mexico, to San Juan College	Requires San Juan College to pay for a land survey
S. 305	Muhammad Ali Boxing Reform Act	Requires state boxing commissions to establish procedures to regulate the activities of certain suspended boxers
S. 326	Patients' Bill of Rights Act	Requires public entities to allow people to inspect their medical records
S. 385	Safety Advancement for Employees (SAFE) Act of 1999	Preempts state laws relating to voluntary drug and alcohol testing
S. 461	Year 2000 Fairness and Responsibility Act	Preempts state court procedures and liability laws
S. 486	Methamphetamine Anti-Proliferation Act of 1999	Preempts state laws relating to use of detoxification drugs
S. 613	Indian Tribal Economic Development and Contract Encouragement Act of 1999	Requires a statement on sovereign immunity for some tribal contracts
S. 624	Fort Peck Reservation Rural Water System Act of 1999	Requires a tribe and a local water district to develop a water conservation plan
S. 720	Serbia Democratization Act of 1999	Prohibits trade with Serbia
S. 761	Third Millennium Electronic Commerce Act	Preempts state laws that regulate interstate electronic commerce transactions
S. 798	Promote Reliable On-line Transactions to Encourage Commerce and Trade (PROTECT) Act of 1999	Preempts certain state encryption laws prospectively

(Continued)

TABLE A-1. CONTINUED

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold (Continued)		
S. 800	Wireless Communications and Public Safety Act of 1999	Preempts certain state liability laws
S. 880	Fuels Regulatory Relief Act	Preempts state freedom-of-information laws
S. 900	Financial Services Modernization Act of 1999	Preempts state banking, insurance, and securities laws
S. 905	Lackawanna Valley National Heritage Area Act of 1999	Requires a public authority to develop a management plan
S. 1052	Northern Mariana Islands Covenant Implementation Act	Preempts immigration laws of the Commonwealth of Northern Mariana Islands by imposing a cap on alien workers
S. 1134	Affordable Education Act of 1999	Increases certain taxes paid by state and local entities
S. 1232	Federal Erroneous Retirement Coverage Corrections Act	Requires the District of Columbia to continue retirement coverage for certain employees
S. 1386	An act to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance	Increases certain excise taxes paid by state and local entities
S. 1429	Taxpayer Refund Act of 1999	Increases certain excise taxes paid by state and local entities
S. 1627	NRC Fairness in Funding Act of 1999	Requires publicly owned nuclear power plants to pay certain fees
S. 1672	Livestock Mandatory Reporting Act of 1999	Preempts state and local laws regulating livestock pricing
S. 1712	Export Administration Act of 1999	Preempts certain state and local laws boycotting foreign countries
S. 1769	Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act	Requires states to report information to the Administrative Office of the U.S. Courts
S. 1792	Tax Relief Extension Act of 1999	Increases certain taxes paid by state and local entities

(Continued)

TABLE A-1. CONTINUED

Bill Number (Committee/ Chamber)	Name	Mandate
Intergovernmental Mandates with Costs Below the Statutory Threshold (Continued)		
S. 1877	Federal Reports Elimination and Sunset Act Amendments of 1999	Imposes reporting requirements on state governments and the District of Columbia

SOURCE: Congressional Budget Office.

NOTE: The statutory threshold for intergovernmental mandates is \$50 million a year (in 1996 dollars), adjusted annually for inflation.

APPENDIX B: PRIMARY CONTRIBUTORS TO CBO'S ANALYSES OF MANDATES

Intergovernmental Mandates

Budget Analysis Division

Theresa Gullo	Chief, state and local government cost estimates
Ernestine McNeil	Secretarial support
Shelley Finlayson	Environment, commerce
Leo Lex	State tax issues, health
Marjorie Miller	Natural resources, agriculture
Susan Sieg Tompkins	Banking, housing, education

Private-Sector Mandates

Microeconomic and Financial Studies Division

Patrice Gordon	Coordinator, natural resources and commerce
Rae Wiseman	Secretarial support
John Harris	Governmental affairs, justice
Keith Mattrick	Energy, natural resources, international affairs
Jean Wooster	Agriculture, commerce, transportation

Health and Human Resources Division

Bruce Vavrichek	Coordinator, health and human resources
Ron Moore	Secretarial support
Nabeel Alsalam	Education, labor
Jennifer Bullard	Health
Sandra Christensen	Health
Stuart Hagen	Health
Karuna Patel	Labor, health
Ralph Smith	Labor, income security
Judy Wagner	Health

National Security Division

Bill Thomas	Coordinator, national security
Debbie Clay-Mendez	Defense issues

Tax Analysis Division

Mark Booth Coordinator, tax analysis
Hester Grippando Revenues

Office of the General Counsel

Jennifer Smith Acting General Counsel