



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 16, 2006

### **H.R. 4698**

### **Disaster Relief Volunteer Protection Act of 2006**

*As ordered reported by the House Committee on the Judiciary on March 15, 2006*

H.R. 4698 would provide immunity to volunteers, nonprofit organizations, or governmental entities from liability in certain civil suits alleging harm resulting from such individuals or entities providing disaster relief supplies or services. CBO estimates that implementing the legislation would result in no significant costs to the federal government. Enacting H.R. 4698 would not affect direct spending or revenues.

H.R. 4698 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would preempt certain state liability laws. Specifically, the bill would exempt individuals who volunteer after a disaster, the volunteer's employer, and other organizations involved in relief efforts from liability under state tort laws for injuries that may occur during the course of those activities. CBO estimates that the resulting costs to states, if any, would not be significant and would be well below the threshold established in UMRA (\$64 million in 2006, adjusted annually for inflation).

H.R. 4698 would impose a new private-sector mandate, as defined in UMRA, on certain individuals filing claims for injury. The bill would provide liability protection for disaster relief volunteers, their employers or business partners, as well as individuals or entities that work with, accept services from, or make their facilities available to such volunteers to assist in disaster relief services. Because the bill would eliminate existing rights to seek compensation for injury caused by certain negligent acts, it would impose a private-sector mandate. The direct cost of the mandate would be the forgone net value of awards and settlements in such claims. Because of the lack of information about both the value of awards in such cases and the number of claims that would be filed in the absence of this legislation, CBO has no basis for predicting the level of potential damage awards, if any. Thus, CBO cannot estimate the cost of the mandate or whether the cost would exceed the annual threshold established by UMRA for private-sector mandates (\$128 million in 2006, adjusted annually for inflation).

The CBO staff contacts for this estimate are Gregory Waring (for federal costs), Melissa Merrell (for the state and local impact), and Paige Piper/Bach (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.