

H.R. 5139 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), by extending privileges and immunities to employees of the two organizations. Those mandates would eliminate the right to take legal action in U.S. courts against the offices and their employees, limit some taxing authority in the District of Columbia, and preempt state laws governing the search and seizure of property. However, the bill would continue to allow the use of alternative dispute resolution procedures, such as arbitration, instead of court procedures.

Because it is unlikely that public entities would take legal action against the offices or levy taxes on them in the absence of this bill, CBO estimates that the costs to public entities would be insignificant and would fall well below the annual threshold established in UMRA for intergovernmental mandates (\$70 million in 2010, adjusted annually for inflation). CBO further estimates that the costs to private entities would fall below the annual threshold for private-sector mandates (\$141 million in 2010, adjusted annually for inflation) because, according to the Department of State, the protections in the bill are rarely invoked.

The CBO staff contact for this estimate is Sunita D'Monte. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.