



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 12, 2001

H.R. 860 **Multidistrict, Multiparty, Multiforum Trial Jurisdiction Act of 2001**

As ordered reported by the House Committee on the Judiciary on March 8, 2001

CBO estimates that enacting H.R. 860 would result in no significant impact on the federal budget. Because this bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 860 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant effect on the budgets of state, local, or tribal governments.

Enacting this bill would remove existing impediments to the effective consolidation of certain lawsuits within the federal judicial system. Section 2 of H.R. 860 would permit the federal judge before whom the cases were consolidated for pretrial proceedings to consolidate them for trial on the common issues of liability and punitive damages. Under current law, cases related by one or more common questions of fact that are pending in multiple federal judicial districts may be consolidated before a single federal judge only for pretrial proceedings. At the end of those proceedings, each case is required to be remanded for trial to the judicial district from which it had been transferred.

Under certain conditions, section 3 of H.R. 860 would confer original jurisdiction on federal district courts over civil actions involving only minimal diversity that arise out of a single accident that results in multiple deaths or injuries. (Minimal diversity exists if adverse parties are citizens of different states, or if one is a foreign state or a citizen of a foreign state.) Current statutes make it difficult to remove certain cases to federal court, resulting in incomplete consolidation of the cases. Section 3 would make it easier for plaintiffs in such cases to file in federal court and for defendants to remove cases filed in state court to federal court.

CBO expects that enacting this bill would result in a more efficient use of federal judicial resources. However, CBO estimates that any savings realized by the federal court system would be negligible and might be offset by increased court costs that could arise from additional cases being moved from state court to federal court under the bill. Thus, CBO estimates that enacting H.R. 860 would result in no significant impact on the federal budget.

The CBO staff contact for this estimate is Lanette J. Walker. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.