CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 30, 2014

S. 2142
Venezuela Defense of Human Rights and Civil Society Act of 2014

As reported by the Senate Committee on Foreign Relations on May 22, 2014

S. 2142 would impose sanctions against Venezuela and authorize appropriations to support civil society in that country. CBO estimates that implementing S. 2142 would cost $23 million over the 2015-2019 period, assuming appropriation of the specified and necessary amounts. Pay-as-you-go procedures apply to this legislation because it would affect direct spending and revenues; however, CBO estimates that those effects would not be significant.

The bill would authorize the appropriation of $15 million in 2015 to promote civil society in Venezuela. In recent years, the Administration has spent roughly $5 million each year for similar activities in Venezuela. Other provisions of S. 2142 would increase administrative costs of the Departments of State and the Treasury. Based on information from the Administration, CBO estimates the departments would require additional appropriations of $1 million a year in 2015 and 2016, growing to $2 million a year thereafter.

Sanctions required under S. 2142 would probably increase the number of people who would be denied a visa by the Secretary of State. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. CBO estimates that enacting those sanction provisions would affect very few people and, thus, have an insignificant budgetary effect.

Because the bill would prohibit certain activities involving Venezuela and subject individuals who undertake those activities to civil and criminal penalties, it could increase revenues and direct spending from the collection of penalties; however, CBO estimates that the net budgetary effect of any additional penalties would be negligible.

S. 2142 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments. The bill would impose private-sector mandates as defined in the UMRA by prohibiting transactions related to any property or interests in property of individuals associated with human rights violations in Venezuela. In addition, individuals found to be associated with the human rights violations could have their visas revoked. The cost of the mandates would be any forgone income directly related to the prohibited transactions and the loss of visas. Based on data from the State Department, the number of individuals that could be affected by the legislation is small. Further, CBO expects the loss of income from the restrictions in the bill would be relatively low. Therefore, CBO estimates that the aggregate cost of the mandates would fall below the annual threshold for private-sector mandates established in UMRA ($152 million in 2014, adjusted annually for inflation).

On May 23, 2014, CBO transmitted a cost estimate for H.R. 4587, the Venezuelan Human Rights and Democracy Protection Act, as ordered reported by the House Committee on Foreign Affairs on April 30, 2014. The estimate for S. 2142 reflects additional discretionary costs related to authorized assistance to support civil society, as well as for administrative costs related to implementing sanctions. The differences in the estimated costs of the two bills reflect the differences in the language of the bills.

The CBO staff contacts for this estimate are Sunita D'Monte, Pamela Greene, and Matthew Pickford (for federal costs), and Marin Burnett (for the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.