CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 13, 2017

H.R. 3342
Sanctioning Hizballah's Illicit Use of Civilians as Defenseless Shields Act

As ordered reported by the House Committee on Foreign Affairs on September 28, 2017

H.R. 3342 would require the President to identify and impose sanctions on foreign people or entities affiliated with Hizballah that he determines have used civilians as human shields or have provided, tried to provide, or facilitated the provision of material support to that terrorist group. The bill also would require the President to provide to the Congress a list of people or entities so identified along with periodic updates. Finally, the bill describes several people and entities and would require the President to determine and report to the Congress if they meet the criteria to be sanctioned.

Based on information from the Administration on the cost of similar requirements, CBO estimates that administering the sanctions and implementing the reporting requirements would cost less than $500,000 annually and would total $1 million over the 2018-2022 period, subject to the availability of appropriated funds.

Enacting H.R. 3342 would increase the number of people who would be denied visas by the Department of State and the number who would be subject to civil or criminal penalties. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. Penalties also are recorded as revenues and a portion of those penalties can be spent without further appropriation. Pay-as-you-go procedures apply to this legislation because enacting it would affect direct spending and revenues. However, CBO estimates that implementing those sanctions would affect very few additional people and thus have insignificant effects on both revenues and direct spending.

CBO estimates that enacting H.R. 3342 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3342 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

If the sanctions imposed by the President under the bill prevent U.S. entities from gaining access to property or from engaging in transactions that would otherwise be permitted under current law, the bill would impose a private-sector mandate as defined in UMRA. The cost of the mandate would be any forgone income directly related to the newly prohibited transactions or blocked property. Because of the broad scope of existing U.S. sanctions involving Hizballah, CBO expects the number of entities and people in the United States that could be affected by the legislation would be small. Further, CBO expects that the loss of income from any restrictions in the bill would be relatively low. Therefore, CBO estimates that the aggregate cost of the mandates would fall below the annual threshold established in UMRA for private-sector mandates ($156 million in 2017, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D'Monte (for federal costs) and Logan Smith (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.