CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 18, 2017

H.R. 1698
Iran Ballistic Missiles and International Sanctions Enforcement Act

As reported by the House Committee on Foreign Affairs on October 12, 2017

H.R. 1698 would amend the Iran Sanctions Act (Public Law 104-172), primarily to apply sanctions on people and entities involved with Iran's ballistic missile program and those who provide conventional weapons to or receive them from that country. In addition, H.R. 1698 would require periodic reports to the Congress on the implementation of the bill and related matters.

Implementing H.R. 1698 would increase administrative costs at the Department of State and the Department of the Treasury. The Administration did not respond to requests for information but based on the costs of implementing similar legislation, CBO estimates that administering the specified sanctions and implementing the reporting requirements would cost less than $500,000 each year and would total $1 million over the 2018-2022 period, subject to the availability of appropriated funds.

Enacting H.R. 1698 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 bill because enacting it would affect direct spending and revenues. However, significant sanctions on Iran already exist under current law and CBO estimates that implementing H.R. 1698 would affect very few additional people and thus have insignificant effects on both revenues and direct spending.

CBO estimates that enacting H.R. 1698 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1698 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 Iran, CBO expects the number of additional entities and individuals 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.