CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 19, 2017

H.R. 3329
Hizballah International Financing Prevention Amendments Act of 2017

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

H.R. 3329 would expand federal sanctions and reporting requirements related to illicit interactions with Hizballah, a foreign terrorist organization based in Lebanon. It would direct the President to identify and impose sanctions on foreign people and entities engaged in fundraising and recruitment activities for Hizballah. The bill also would require the President to apply the sanctions in Executive Order 13581 to affiliated networks of Hizballah. That executive order blocked the U.S. held assets of certain criminal organizations from being transferred, paid, exported, or withdrawn. Finally, federal agencies would be required to develop policies and prepare multiple reports related to Hizballah, including reports on certain diplomatic matters as well as on illicit transactions with foreign financial institutions, cooperation with foreign governments, racketeering, and trafficking in tobacco.

Based on an analysis of information from the Administration and the costs of similar activities, CBO estimates that administering the sanctions and implementing the reporting requirements would cost about $1 million over the 2018-2022 period, subject to the availability of appropriated funds.

Enacting H.R. 3329 would increase the number of people and entities that would be subject to civil or criminal penalties and the number of people who would be denied visas by the Department of State. Penalties are recorded in the budget as revenues and a portion of those penalties can be spent without further appropriation. Most visa fees are retained by the Department of State and spent without further appropriation, but some fees are deposited in the Treasury as revenues. 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 or entities and thus have insignificant effects on both revenues and direct spending because of the broad scope of restrictions in existing law and regulation that address illicit activities involving Hizballah.

CBO estimates that enacting H.R. 3329 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3329 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 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 Jacob Fabian (for federal costs) and Logan Smith (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.