



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 6, 2018

H.R. 5036 **Financial Technology Protection Act**

As reported by the House Committee on Financial Services on July 24, 2018

H.R. 5036 would establish within the Department of the Treasury an Independent Financial Technology Task Force. The task force members would include six representatives from federal agencies, and six from the private sector with experience in financial technology. The task force would research and develop legislative and regulatory proposals to reduce the illicit use of financial technologies. The bill also would fund a whistle blower rewards program and a grant program aimed at curbing the use of digital currencies by terrorists.

Based on the cost of similar task forces, CBO estimates that implementing H.R. 5036 would require four employees annually at a total average annual cost of \$300,000, plus additional expenses for overhead, supplies, and the expenses of nonfederal task force members. In total, CBO estimates that the task force would cost about \$700,000 annually, or about \$4 million over the 2018-2023 period.

Individuals using digital currencies for terrorist purposes are subject to fines and the forfeiture of property or assets. Those proceeds are recorded on the budget as revenues and can be spent without further appropriation. Under the bill, those revenues could be used by the task force to reward any person who provides information leading to the conviction of an individual involved with the terrorist use of digital currencies and to fund a grant program to develop tools and programs to detect the illicit use of digital currencies. Because those funds can already be spent under current law, CBO estimates that there would be no significant effect on direct spending.

Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 5036 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5036 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.