



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 28, 2018

### **H.R. 4744** **Iran Human Rights and Hostage-Taking Accountability Act**

*As ordered reported by the House Committee on Foreign Affairs  
on March 15, 2018*

H.R. 4744 would amend the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195), primarily to impose sanctions on people and entities responsible for certain cases of politically motivated harassment, abuse, extortion, or extended detention or trial. In addition, H.R. 4744 would require the Administration to provide to the Congress reports on the implementation of the bill and a strategy to prevent Iran from detaining U.S. citizens and residents or taking them hostage.

Implementing H.R. 4744 would increase administrative costs at the Department of State and the Department of the Treasury. 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 2018-2023 period. That spending would be subject to the availability of appropriated funds.

Enacting H.R. 4744 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. CBO estimates that implementing H.R. 4744 would affect very few additional people and thus would have insignificant effects on both revenues and direct spending.

CBO estimates that enacting H.R. 4744 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 4744 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The sanctions imposed by the bill would be private-sector mandates as defined in UMRA because they could restrict actions of U.S. entities that otherwise might be involved in transactions with the sanctioned persons or with shared financial institutions. Because the sanctions focus only on people and entities in Iran that have committed such violations, CBO expects that the number of entities and individuals in the United States that could be affected by the legislation would be small. Furthermore, CBO expects that the loss of income from any incremental restrictions in the bill would be minimal. Therefore, CBO estimates that the aggregate cost of the mandates would fall well 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 Jon Sperl (for mandates). The estimate was approved by Leo Lex, Deputy Assistant Director for Budget Analysis.