

H.R. 598, Georgia Support Act			
As ordered reported by the House Committee on Foreign Affairs on May 22, 2019			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Deficit Effect	*	*	*
Spending Subject to Appropriation (Outlays)	*	2	n.e.
Pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
n.e. = not estimated; * = between -\$500,000 and \$500,000.			

H.R. 598 would require the President to sanction foreign persons who are responsible for or complicit in human rights abuses in Russian-occupied regions of Georgia. In addition, the bill would require the Department of State to submit reports to the Congress on various aspects of the United States' relations with Georgia.

Imposing the sanctions required by H.R. 598 would increase administrative costs of the Department of State and the Department of the Treasury. On the basis of the costs to implement similar legislation, CBO estimates that administering the specified sanctions and providing the required reports would cost less than \$500,000 each year and would total \$2 million over the 2019-2024 period. That spending would be subject to the availability of appropriated funds.

Enacting H.R. 598 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. Because CBO expects that very few additional people would be affected, CBO estimates the bill's enactment would have insignificant effects on both revenues and direct spending.

H.R. 598 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

By imposing sanctions on certain foreign persons responsible for human rights violations in Georgia, H.R. 598 could prohibit entities in the United States from engaging in activities that would otherwise be permitted under current law, such as accessing property that has been frozen by the sanctions. Such prohibition would be a mandate under UMRA. The cost of the mandate would be any income that U.S. entities lose because they no longer have access to the property in question or because they may no longer engage in transactions prohibited by the bill. Because the sanctions focus only on individuals in foreign countries who have committed certain 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 imposed by the bill would be small. Therefore, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold established in UMRA for private-sector mandates (\$164 million in 2019, 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 reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.