Congressional Budget Office
Cost Estimate

June 11, 2019

S. 1025, Venezuela Emergency Relief, Democracy Assistance, and Development Act of 2019

As reported by the Senate Committee on Foreign Relations on June 3, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Deficit Effect	*	*	*
Spending Subject to Appropriation (Outlays)	0	393	n.e.

Statutory 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.

S. 1025 would authorize the appropriation of $421 million in 2020 for assistance to Venezuela and neighboring countries, of which $400 million would be for humanitarian assistance. Of the remainder, about $18 million would be used to promote democratic governance in Venezuela, and $3 million would be used to help neighboring countries sanction certain Venezuelan officials.

S. 1025 also would extend current sanctions related to Venezuela and impose new sanctions. Finally, the bill would require the Administration to provide several reports to the Congress. Imposing sanctions and providing the reports required under S. 1025 would increase administrative costs, primarily for the Department of State and the Department of the Treasury. On the basis of the costs to implement similar legislation, CBO estimates that those administrative costs would total $2 million in 2020 and $1 million each year over the 2021-2024 period (most reports would be due within the first year after enactment).

In total, CBO estimates that implementing S. 1025 would cost $393 million over the 2020-2024 period (see Table 1). That spending would be subject to appropriation of the specified and estimated amounts.

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 1025

	By Fiscal Year, Millions of Dollars						
	2019	2020	2021	2022	2023	2024	2019-2024
Humanitarian Assistance							
Authorization	0	400	0	0	0	0	400
Estimated Outlays	0	140	100	60	48	20	368
Democratic Governance							
Authorization	0	18	0	0	0	0	18
Estimated Outlays	0	2	4	4	4	2	16
Sanctions Assistance							
Authorization	0	3	0	0	0	0	3
Estimated Outlays	0	2	1	*	0	0	3
Administrative Expenses							
Estimated Authorization	0	2	1	1	1	1	6
Estimated Outlays	0	2	1	1	1	1	6
Total Increases							
Estimated Authorization	0	423	1	1	1	1	427
Estimated Outlays	0	146	105	66	53	23	393

Components may not sum to totals because of rounding; * = between zero and $500,000.

S. 1025 would extend through calendar year 2025 sanctions on persons (individuals or entities) responsible for violence and human rights abuses in Venezuela and would impose sanctions on persons that undermine democracy, are involved in corruption, or have supported the Venezuelan security forces on behalf of Russia. It also would prohibit certain financial transactions involving Venezuela. Enacting those provisions 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 are also recorded as revenues, and a portion of those penalties can be spent without further appropriation. Because existing authorities and executive orders already cover many of the activities that would be subject to sanctions, CBO estimates the bill's enactment would have insignificant effects on both revenues and direct spending.

S. 1025 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

By imposing sanctions on certain foreign persons that have taken actions to support the government of Venezuela, S. 1025 could prohibit individuals or 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 a prohibition would be a private-sector 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 persons in foreign countries who have committed certain violations, CBO expects that the number of individuals or entities 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.