

<b>H.R. 693, PAST Act</b>			
<b>As introduced on January 22, 2019</b>			
By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	8	n.e.
Pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
n.e. = not estimated; * = between zero and \$500,000.			

H.R. 693 would amend the Horse Protection Act of 1970 (HPA) to strengthen and expand enforcement of current prohibitions on soring horses. Soring refers to the practice of applying chemicals, pressure, or devices to cause pain to the front feet and legs of horses when they touch the ground to achieve an exaggerated gait. Although prohibited, the practice is sometimes used on horses that participate in horse shows. Under current law, inspectors from the Department of Agriculture (USDA) attend some of the larger horse shows to both inspect horses and oversee independent inspectors. The majority of events where such horses compete, however, have private managers who hire their own inspectors to monitor and detect HPA violations.

H.R. 693 would require USDA to license, train, assign, and oversee private inspectors qualified to properly inspect, diagnose, and detect horses that have been subject to soring, and other violations of the HPA at horse shows, exhibitions, sales, and auctions. Those licensed individuals would not be USDA employees and would continue to be paid by the private managers of each event.

H.R. 693 also would prohibit the use of any device placed on a horse's limb to artificially alter its gait (known as an action device—such as boots, collars, chains, or rollers). Additionally, H.R. 693 would increase the maximum fine and prison terms for each violation of the HPA. Upon an individual's third (or subsequent) violation, they may be permanently disqualified, by order of the Secretary of Agriculture (after notice and an opportunity for a hearing before the Secretary), from participating in any horse show, exhibition, horse sales,



or auctions. Finally, the bill would impose a fine on any private event manager who refused to pay a USDA-licensed horse inspector.

Using information from USDA budget documents, CBO estimates that implementing H.R. 693 would cost about \$2 million per year over the 2020-2024 period for licensing, training, assigning, monitoring independent inspectors, and maintaining a current database of violators and violations. Such spending would be subject for the availability of appropriated funds. In 2018, USDA spent less than \$1 million to enforce the HPA.

The bill also could increase revenues from penalties; however, CBO estimates that any additional revenues from those penalties would likely be insignificant because few mandatory penalties have been imposed in recent years.

H.R. 693 would impose a private sector mandate, as defined in the Unfunded Mandates Reform Act (UMRA), on some owners of horses by expanding the prohibition on soring horses. The cost of the mandate would be the net income forgone because of the prohibition. Using information from USDA reports and industry sources, CBO estimates the cost of the mandate would fall below the annual threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

H.R. 693 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Erik O'Donoghue (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.