Congressional Budget Office
Cost Estimate

January 13, 2020

S. 2977, Venezuela Defense of Human Rights and Civil Society Extension Act of 2019

As reported by the Senate Committee on Foreign Relations on December 17, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	*

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**

* = between -$500,000 and $500,000.

S. 2977 would renew sanctions on Venezuela through calendar year 2021. Those sanctions, which expired at the end of calendar year 2019, targeted individuals acting on behalf of the Venezuelan government who are responsible for human rights abuses and violence in that country. Reimposing those sanctions would deny affected people entry into the Unites States and would block transactions in their assets and property that are in the United States or come under the control of U.S. persons.

CBO estimates that enacting S. 2977 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 for violating the sanctions. 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.

Renewing the sanctions would increase administrative costs of the Department of State and the Department of the Treasury. On the basis of the costs to administer other sanctions, CBO estimates that implementing the bill would cost less than $500,000 over the 2020-2024 period. That spending would be subject to the availability of appropriated funds.

By renewing for two years existing sanctions on Venezuelan government officials and others accused of responding violently to anti-government demonstrators, S. 2977 would impose a private-sector mandate. The bill would continue to prohibit individuals or entities in the United States from engaging in activities that would otherwise be permitted after the sanctions expire, such as accessing property that would be frozen by the sanctions. 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 could no longer engage in transactions prohibited by the bill.

Because only a small number of individuals are currently sanctioned under the act, CBO expects the loss of income from any incremental restrictions imposed by the bill would be small as well. Therefore, CBO estimates that the aggregate cost of the mandates would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($164 million in 2019, adjusted annually for inflation).

S. 2977 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Sunita D'Monte (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.