Congressional Budget Office
Cost Estimate

June 5, 2020

S. 712, Robert Levinson Hostage Recovery and Hostage-Taking Accountability Act

As reported by the Senate Committee on Foreign Relations on June 3, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Statutory pay-as-you-go procedures apply?	**Yes**	**Mandate Effects**	
		Contains intergovernmental mandate?	**No**
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	**No**	Contains private-sector mandate?	**Yes, Under Threshold**

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

Summary of Legislation

S. 712 would authorize the President to impose sanctions on individuals who are responsible for holding U.S. nationals hostage, and it would codify the roles and responsibilities of federal agencies involved in freeing hostages. The bill also would require the Department of State to review the cases of U.S. nationals who have been detained overseas, determine whether those nationals are being illegally or improperly held, and report annually to the Congress on those determinations. Finally, the department would be required to develop guidance and disseminate information to government officials and to family members of hostages and detainees on the resources that are available to obtain information about, access to, or the release of those people.

CBO estimates that enacting S. 712 would have insignificant effects on the federal budget and would, on net, reduce the deficit by insignificant amounts over the 2020-2030 period.

S. 712 would impose private-sector mandates by prohibiting entities in the United States from engaging in activities that would otherwise be permitted under current law, such as accessing property that would be frozen by the sanctions.

Direct Spending and Revenues

Sanctions authorized under S. 712 would deny affected people entry into the United States and would block transactions in assets and property that are in the United States or come under the control of U.S. persons. CBO estimates that enacting the bill would increase the number of people who would be denied visas by the Department of State. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending for certain federal benefits for which they are eligible, such as emergency Medicaid or federal subsidies for health insurance.

Enacting the bill also would increase the number of people who would be subject to civil or criminal penalties for violating the sanctions. Penalties are recorded as revenues, and a portion of those penalties can be spent without further appropriation.

Using data from similar sanctions programs, CBO estimates that few people would be affected; thus, enacting the bill would have insignificant effects on revenues and direct spending.

Spending Subject to Appropriation

The bill would codify the roles and responsibilities of the department's Special Presidential Envoy for Hostage Affairs, the interagency Hostage Recovery Fusion Cell, and the Hostage Response Group. Pursuant to a 2015 Presidential Policy Directive regarding U.S. hostages, those entities make policies and decisions in an effort to free hostages and prevent hostage-taking.

The Bureau of Consular Affairs helps U.S. nationals who are detained overseas and collects the necessary information to do so. Thus, CBO estimates that implementing the requirement to review such cases, determine whether people are being held hostage, and report annually to the Congress would have costs, but they would be insignificant.

The Fusion Cell's Family Engagement Team, which includes personnel from the Bureau of Consular Affairs, provides information and support to family members of hostages. The Special Presidential Envoy also engages with families. CBO expects that those efforts would satisfy the requirement of the bill, thus also would have insignificant costs.

In total, CBO estimates that implementing S. 712 would cost less than $500,000 over the 2020-2025 period. Such spending would be subject to the availability of appropriated funds.

Mandates

By authorizing sanctions on officials who are responsible for holding U.S. nationals hostage, S. 712 could prohibit individuals or entities in the U.S. from engaging in activities that would otherwise be permitted under current law, such as accessing property that would be frozen by the sanctions. Such a prohibition is a mandate under the Unfunded Mandates Reform Act (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, CBO expects that the number of individuals or entities in the United States that could be affected by the legislation would be small and 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 UMRA for private-sector mandates ($168 million in 2020, adjusted annually for inflation).

S. 712 contains no intergovernmental mandates as defined in UMRA.

Previous CBO Estimate

On March 24, 2020, CBO transmitted a cost estimate for H.R. 1611, the Robert Levinson Hostage Recovery and Hostage-Taking Accountability Act, as ordered reported by the House Committee on Foreign Affairs on March 4, 2020. The two bills are similar and CBO's estimates of the cost of implementing them are the same.

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