

**S. 3052, Cambodia Democracy and Human Rights Act of 2022**

As reported by the Senate Committee on Foreign Relations on July 21, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Statutory 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 2033?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between -\$500,000 and \$500,000.			

**Bill Summary**

S. 3052 would require the President to impose sanctions on foreign persons he determines have undermined democracy in Cambodia, violated human rights, engaged in corruption, or supported the development of facilities in Cambodia that could be used by the Chinese military. That requirement would end after five years. The bill also would require the Administration to report to the Congress on those actions and on Chinese government and military activity in Cambodia.

**Estimated Federal Cost**

The Administration has broad authority to sanction individuals for many of the reasons specified in S. 3052. If enactment of the bill leads the Administration to broaden those sanctions, more people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the Department of State and spent without further appropriation, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

Sanctions under the bill also would increase the number of people who are subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation. In addition, the bill would block transactions in certain assets and property that are in the United States or that come under the control of people in the United States.

On the basis of data for similar sanctions, CBO estimates that any additional sanctions would affect a small number of people; thus, enacting S. 3052 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2022-2032 period.

Using information about the costs to prepare similar reports, CBO estimates that satisfying the reporting requirements would cost less than \$500,000 over the 2022-2027 period. Such spending would be subject to the availability of appropriated funds.

## **Mandates**

S. 3052 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). It would prohibit individuals or entities in the United States from engaging in transactions involving assets and property that have been frozen by sanctions authorized in the bill. Those transactions are otherwise permitted under current law. The cost of the mandate would be any income lost as a consequence. CBO expects that because a small number of people or entities would be affected, the loss of income from any incremental increase in restrictions imposed by the bill would be small as well. CBO estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$184 million in 2022, adjusted annually for inflation).

S. 3052 contains no intergovernmental mandates as defined in UMRA.

## **Previous CBO Estimate**

On September 21, 2021, CBO transmitted a [cost estimate for H.R. 4686](#), the Cambodia Democracy Act of 2021, as ordered reported by the House Committee on Foreign Affairs on July 29, 2021. The two pieces of legislation are similar, and CBO's estimates of their budgetary effects are the same.



### **Estimate Prepared By**

Federal Costs: Sunita D'Monte and Madeleine Fox

Mandates: Brandon Lever

### **Estimate Reviewed By**

David Newman

Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Kathleen FitzGerald

Chief, Public and Private Mandates Unit

Leo Lex

Deputy Director of Budget Analysis