



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 25, 2008

### **H.R. 6598** **Prevention of Equine Cruelty Act of 2008**

*As ordered reported by the House Committee on the Judiciary on September 23, 2008*

CBO estimates that implementing H.R. 6598 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues, but CBO estimates that any such effects would not be significant.

H.R. 6598 would impose a private-sector and intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). It would prohibit possessing, shipping, transporting, purchasing, selling, delivering, or receiving any horse in interstate or foreign commerce that is to be slaughtered for human consumption. The cost of the mandate to the private sector would be the loss of income to persons that transport horses for slaughter and the cost to horse owners to dispose of horses that otherwise would have been slaughtered for human consumption. Based on information from the Department of Agriculture, CBO expects that those costs would fall below the annual threshold established by UMRA for private-sector mandates (\$136 million in 2008, adjusted annually for inflation).

This mandate also would affect state, local, and tribal governments to the extent that they would be responsible for unwanted horses that otherwise would have been sold and slaughtered. Because most unwanted horses remain in the hands of private individuals or organizations, CBO estimates that this cost would not be large, and would be well below the threshold established in UMRA for intergovernmental mandates (\$68 million in 2008, adjusted annually for inflation).

H.R. 6598 would establish a new federal crime relating to the slaughter of horses for human consumption. If the bill is enacted, the government might be able to pursue cases that it otherwise would not be able to prosecute. However, we expect that H.R. 6598 would apply to a relatively small number of offenders, so any increase in costs for law enforcement, court proceedings, or prison operations would not be significant. Any such costs would be subject to the availability of appropriated funds.

Because those prosecuted and convicted under H.R. 6598 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, then deposited in the Crime Victims Fund, and later spent. Thus, enacting H.R. 6598 could increase revenues and direct spending; however, CBO expects that any such impact would not be significant.

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs), Amy Petz (for the private-sector impact), and Elizabeth Cove (for the state and local impact). This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.