



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 14, 2012

H.R. 3668 **Counterfeit Drug Penalty Enhancement Act of 2012**

As ordered reported by the House Committee on the Judiciary on June 6, 2012

CBO estimates that implementing H.R. 3668 would have no significant costs to the federal government. Enacting the bill could affect direct spending and revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that any effects would be insignificant for each year.

H.R. 3668 would establish a new federal crime for trafficking in counterfeit drugs. As a result, the government might be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that H.R. 3668 would apply to a relatively small number of additional offenders, however, 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. 3668 would be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the small number of additional cases likely to be affected.

H.R. 3668 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On January 12, 2012, CBO transmitted a cost estimate for S. 1886, the Counterfeit Drug Penalty Enhancement Act of 2011, as reported by the Senate Committee on the Judiciary on December 8, 2011. The two pieces of legislation are similar and the cost estimates are the same.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.