

At a Glance

H.R. 4175, Rebuilding Economic Prosperity and Opportunity for Ukrainians Act

As ordered reported by the House Committee on Foreign Affairs on November 7, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	5,000	5,000
Revenues	*	5,000	5,000
Increase or Decrease (-) in the Deficit	*	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
Mandate Effects			
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

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

The bill would

- Authorize the President to confiscate certain sovereign assets of Russia, Belarus, and other countries
- Use the proceeds from confiscated assets to provide humanitarian and economic assistance to Ukraine
- Impose a private-sector mandate by expanding an existing duty on financial institutions to file reports on sanctioned entities and their assets

Estimated budgetary effects would mainly stem from

- Confiscating sovereign assets
- Providing assistance to Ukraine

Areas of significant uncertainty include

- Estimating the value of Russian and Belarusian sovereign assets under U.S. jurisdiction
- Anticipating whether the President would designate other countries and confiscate their sovereign assets

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

Bill Summary

H.R. 4175 would authorize the President to confiscate and vest in the U.S. government any sovereign assets of Russia or Belarus that are under U.S. jurisdiction as well as any similar sovereign assets of any country judged to be affiliated with Russia or Belarus. Under the bill, the President could designate as affiliated any country that provides significant material assistance to Russia or Belarus. The confiscated assets would be used to provide humanitarian and economic assistance to Ukraine. The bill also would require the Administration to report to the Congress on the confiscated assets, on its implementation of the bill, and on related matters.

Estimated Federal Cost

The estimated budgetary effect of H.R. 4175 is shown in Table 1. The costs of the legislation fall within budget function 150 (international affairs).

Table 1. Estimated Budgetary Effects of H.R. 4175													
By Fiscal Year, Millions of Dollars												2024-	2024-
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2029	2034
Increases in Direct Spending													
Estimated Budget Authority	*	5,000	0	0	0	0	0	0	0	0	0	5,000	5,000
Estimated Outlays	*	5,000	0	0	0	0	0	0	0	0	0	5,000	5,000
Increases in Revenues													
Estimated Revenues	*	5,000	0	0	0	0	0	0	0	0	0	5,000	5,000
Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues													
Effect on the Deficit	*	*	0	0	0	0	0	0	0	0	0	0	0

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

CBO estimates that implementing the bill also would increase spending subject to appropriation by less than \$500,000 over the 2024-2029 period.

Basis of Estimate

For this estimate, CBO assumes that H.R. 4175 will be enacted in fiscal year 2024.

Proceeds from the seizure of sovereign assets under the bill would be classified as increases in revenues. The bill would make those amounts available for assistance to Ukraine without further appropriation, which would be classified as an increase in direct spending.

Publicly available reports suggest that approximately \$5 billion in Russian sovereign assets is subject to U.S. jurisdiction. On the basis of those reports and the amount of assistance recently provided to Ukraine by the United States, CBO estimates that the confiscated assets would be used relatively quickly. Thus, enacting H.R. 4175 would increase both revenues and direct spending by equivalent amounts.

Based on the costs of similar activities, CBO estimates that satisfying the bill's reporting requirements would cost less than \$500,000 over the 2024-2029 period. Such spending would be subject to the availability of appropriated funds.

Uncertainty

CBO's estimate of the budgetary effects of H.R. 4175 is subject to some uncertainty. The Administration did not provide CBO with information about sovereign Russian or Belarusian assets under U.S. jurisdiction. In addition, CBO has no basis for predicting whether the President would designate other countries as affiliated under the bill and then confiscate their sovereign assets. As a result, the value of assets confiscated under the bill could be significantly greater than or less than estimated.

Nevertheless, because any confiscated assets would be used to assist Ukraine, CBO estimates that the increases in revenues and direct spending would be roughly equivalent.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 1.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 4175 would not increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2035.

Mandates

H.R. 4175 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by expanding an existing duty on financial institutions to file reports about sanctioned entities and their assets. The bill would require those institutions to notify the Department of the Treasury of any sovereign assets they hold that belong to Russia. CBO estimates that the bill would incrementally increase the cost of the existing requirements and therefore that the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$200 million in 2024, adjusted annually for inflation).

The bill does not contain intergovernmental mandates as defined in UMRA.

Previous CBO Estimate

On March 14, 2024, CBO transmitted a [cost estimate for S. 2003](#), the Rebuilding Economic Prosperity and Opportunity for Ukrainians Act, as reported by the Senate Committee on Foreign Relations on January 30, 2024. Both H.R. 4175 and S. 2003 would authorize the seizure of Russian sovereign assets. H.R. 4175 also would allow the President to confiscate sovereign assets of Belarus and other affiliated countries. Because CBO lacks information about the value of those sovereign assets, the estimate for H.R. 4175 does not include any budgetary effects from the seizure of those additional assets; thus, the estimated budgetary effects of those provisions are the same. Other provisions of S. 2003 that are not included in H.R. 4175 would affect the federal budget.

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