



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 24, 2001

H.R. 577

A bill to amend title 44, United States Code, to require any organization that is established for the purpose of raising funds for creating, maintaining, expanding, or conducting activities at a Presidential archival depository or any facilities relating to a Presidential archival depository, or any organization operating under section 501(c) of the Internal Revenue Code of 1986, if such organization is named after or controlled by a federal elected official currently holding office, to disclose the sources and amounts of any funds raised, and for other purposes

As ordered reported by the House Committee on Government Reform on May 17, 2001

CBO estimates that enacting H.R. 577 would have no significant impact on the federal budget. Because the bill could affect direct spending and receipts, pay-as-you-go procedures would apply. H.R. 577 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments. H.R. 577 would impose a private-sector mandate, as defined by UMRA. CBO estimates that the direct cost of the mandate would fall well below the annual threshold established by UMRA for private-sector mandates (\$113 million in 2001, adjusted annually for inflation).

H.R. 577 would require any organization that raises funds for a presidential library, or for a Congressional foundation for a current Member of Congress, to disclose the sources and amounts of such funds. The bill's provisions would generally apply to annual donations greater than \$200 (or greater than \$5,000 in some cases) and would require fund-raising organizations to provide this information to the Administration and the Congress annually. H.R. 577 would direct the National Archives and Records Administration (NARA) to make this information public. Finally, the bill would establish criminal penalties, including fines, for violations of its provisions.

Based on information from NARA, CBO estimates that the increased administrative costs to implement the bill would be less than \$500,000 annually from appropriated funds. H.R. 577 would establish a new federal crime, so the government would be able to pursue

cases that it otherwise would not be able to prosecute. However, because we expect H.R. 577 to apply to a very small number of offenders, 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. 577 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Collections of such fines are recorded in the budget as governmental receipts (revenues), which are deposited in the Crime Victims Fund and later spent. CBO expects that any additional receipts and direct spending would be negligible because of the small number of cases involved.

H.R. 577 would impose a private-sector mandate as defined by UMRA on organizations established for the purpose of raising funds for Presidential archival depositories and on tax-exempt foundations named after or controlled by members of Congress currently holding office. The bill would require those institutions to report each year to the Administration and certain Congressional committees the sources and amounts of contributions valued over certain amounts. The cost for such organizations and foundations to report the mandated information would be minimal. CBO estimates, therefore, that the direct cost of the mandate would fall well below the annual threshold established by UMRA for private-sector mandates (\$113 million in 2001, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs), and Paige Piper/Bach (for the private-sector impact). This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.