



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

May 15, 2003

**H.R. 1954  
Armed Forces Naturalization Act of 2003**

*As ordered reported by the House Committee on the Judiciary on May 7, 2003*

**SUMMARY**

Under current law, lawful permanent residents who have served honorably on active duty or in reserve status in the U.S. armed forces for three years (in aggregate) are eligible to apply for naturalization (citizenship). During periods of military hostilities, however, such individuals who have served in the armed forces on active duty are immediately eligible for naturalization. On July 3, 2002, the President officially designated the period beginning on September 11, 2001, as a period of military hostilities.

H.R. 1954 would reduce the aforementioned service requirement from three years to one year, and would waive application fees for individuals eligible for naturalization through military service, including posthumous citizenship for persons killed while on active duty. The bill also would direct the Administration to make naturalization services available to military personnel serving overseas, to the maximum extent practicable. In addition, for family members of persons who die while on active duty, H.R. 1954 would make it easier to gain certain immigration benefits. Because enacting the bill would result in a reduction in immigration fees, CBO estimates that it would increase direct spending by about \$1 million in fiscal year 2003 and by \$12 million in 2004.

H.R. 1954 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs of the mandate, if any, would not be significant and would be well below the threshold established in UMRA (\$59 million in 2003, adjusted for inflation). The bill contains no new private-sector mandates as defined in UMRA.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1954 is shown in the following table. CBO assumes that the bill will be enacted by July 1. The costs of this legislation fall within budget function 750 (administration of justice).

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	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
<b>CHANGES IN DIRECT SPENDING</b>						
Estimated Budget Authority	1	12	0	0	0	0
Estimated Outlays	1	12	0	0	0	0

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## BASIS OF ESTIMATE

The U.S. armed forces currently includes about 37,000 individuals on active duty and another 12,000 in reserve status who are not citizens. In addition, CBO expects about 9,000 new legal permanent residents to enter the armed forces on active duty by the end of fiscal year 2004, based on the number of such entries in recent years. However, approximately 7,000 persons on active duty have already applied for naturalization since military hostilities were declared in July of 2002 and could not benefit from H.R. 1954 (this represents less than 20 percent of the current eligible population of active-duty personnel).

By waiving application fees and improving the naturalization process overseas, CBO expects that enacting H.R. 1954 would significantly increase the percentage of eligible individuals who apply for citizenship. We anticipate that the majority of eligible individuals would choose to naturalize under the bill's provisions over the next year or two, thus gaining an important benefit while avoiding the \$310 in fees currently collected by the Bureau of Citizenship and Immigration Services (BCIS). Based on the current number of citizenship applications by eligible military personnel (as noted in the preceding paragraph), we estimate two-thirds (over 30,000) of the eligible persons would apply for naturalization. By comparison, nationwide about 55 percent of eligible aliens apply for citizenship over the duration of their stay in the United States. Thus, enacting H.R. 1954 would result in a loss of fees (direct spending) of about \$10 million over the 2003-2004 period, mostly in 2004.

In addition, the BCIS (formerly the Immigration and Naturalization Service) expects to employ 25 persons at overseas locations to provide naturalization services there, as directed

by H.R. 1954. These activities are funded by fees collected by the BCIS and spent without appropriation action. Thus, CBO estimates that this provision would increase direct spending by about \$3 million annually, beginning in fiscal year 2004.

The BCIS periodically reviews its fees for providing adjudication and naturalization services and sets fees sufficient to ensure the recovery of the full costs of providing all such services, including the costs of services provided without charge to certain applicants. The two most recent fee adjustments occurred in early 1999 and in early 2002, and total fee collections and spending on immigration administration are expected to exceed \$1 billion in each of the next few years. During fiscal year 2005, CBO assumes that the BCIS will raise fees as necessary to offset the additional costs resulting from enactment of H.R. 1954. In that case, the bill would have no significant net effect on BCIS spending after 2004.

CBO estimates the bill's provisions relating to fees for posthumous citizenship and immigration benefits for family members of those killed in wartime would have no significant effect because of the relatively small number of persons involved.

#### **ESTIMATED IMPACT ON STATE, LOCAL AND TRIBAL GOVERNMENT**

H.R. 1954 would prohibit, in certain cases, state courts from collecting fees for processing naturalization applications or issuing certificates of naturalization for individuals who have served in the armed forces. To the extent that any state courts charge such fees, such a preemption of state authority is an intergovernmental mandate as defined in UMRA. However, CBO estimates that costs from the mandate, if any, would be insignificant and well below the threshold established in UMRA (\$59 million in 2003, adjusted for inflation).

#### **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

The bill contains no new private-sector mandates as defined by UMRA.

#### **ESTIMATE PREPARED BY:**

Federal Costs: Mark Grabowicz

Impact on State, Local, and Tribal Governments: Victoria Heid Hall

Impact on the Private Sector: Paige Piper/Bach

#### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis