



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 15, 2014

**H.R. 4771
Designer Anabolic Steroid Control Act of 2014**

*As ordered reported by the House Committee on the Judiciary
on September 10, 2014*

CBO estimates that implementing H.R. 4771 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. 4771 would expand the list of anabolic steroids regulated by the Drug Enforcement Administration (DEA) to include about two-dozen new substances and would establish new crimes relating to false labeling of steroids. As a result, the government might be able to pursue cases involving drug use that it otherwise would not be able to prosecute. CBO expects that H.R. 4771 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. 4771 could be subject to civil and criminal fines, the federal government might collect additional fines if the legislation is enacted. Civil fines are recorded as revenues. 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. 4771 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

The bill would impose private-sector mandates by adding 25 new compounds, and any compounds found to be structurally similar, to the list of anabolic steroids regulated under the Controlled Substances Act. Consumers would need a prescription from a licensed practitioner to purchase products containing the newly listed compounds. Sellers, manufacturers, and importers of such products would be required to obtain an authorization from state and federal authorities in order to make or possess the compounds. However, based on information from the Food and Drug Administration (FDA), DEA, and

industry professionals, CBO expects that the majority of the affected entities would either replace the regulated compounds with new ones or discontinue the distribution of the affected products. Therefore, the cost of the mandate would be the forgone income from lost sales.

Because of the nature of the market being regulated, the scope of sales affected is difficult to determine. As products are found to contain compounds that are structurally similar to the compounds listed, industry sales could decline significantly. Some industry experts estimate that the revenues generated by the sale of products containing such compounds amount to between \$2 billion and \$5 billion annually. (Those figures include sales of some products that already are not in compliance or not being sold in compliance with FDA or DEA regulations.) Although identifying which items would be affected by the legislation would be difficult, given the estimated magnitude of industry profits, even a 10 percent decrease in income as a result of the bill would exceed the annual threshold for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

The bill also would impose a private-sector mandate on importers, exporters, manufacturers, and distributors by requiring that any anabolic steroid or product containing an anabolic steroid be labeled as such, using the nomenclature of the International Union of Pure and Applied Chemistry. The cost of the mandate would probably be small.

On July 25, 2014, CBO transmitted a cost estimate for H.R. 4771 as ordered reported by the House Committee on Energy and Commerce on July 15, 2014. The estimate of federal costs is the same for the two versions of the bill.

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs) and Marin Burnett (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.