



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 31, 2016

H.R. 5094 **STAND for Ukraine Act**

*As ordered reported by the House Committee on Foreign Affairs
on July 14, 2016*

H.R. 5094 would codify some existing sanctions meant to deter aggression against Ukraine and impose other sanctions on additional foreign persons. The bill also would require the Administration to report to the Congress on those sanctions and on certain arms transfers. Finally, H.R. 5094 would require the Department of State to develop, implement, and report to the Congress on a strategy to counter Russian dis-information and propaganda.

On the basis of information from the department and costs for similar reporting requirements, CBO estimates that implementing the bill would cost less than \$500,000 a year and total \$1 million over the 2017-2021 period; such spending would be subject to the availability of appropriated funds.

To the extent that sanctions imposed under H.R. 5094 would affect more entities and individuals, the bill would increase the number of people who would be denied visas by the Secretary of State and would be subject to civil or criminal penalties. Most visa fees are retained by the Department of State and spent without further appropriation, but some fees are deposited in the Treasury as revenues. Penalties also are recorded as revenues and a portion of those penalties can be spent without further appropriation. CBO estimates that implementing those sanction provisions would affect very few additional people and, thus, have insignificant effects on both revenues and direct spending.

Because enacting H.R. 5094 would affect direct spending and revenues, pay-as-you-go procedures apply; however, those effects would not be significant over the 2017-2026 period. CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5094 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.

By expanding the list of transactions and human rights violations associated with eastern Ukraine (and other territories forcibly occupied by Russia) for which entities may be sanctioned, H.R. 5094 would increase the number of entities responsible for complying with those prohibited actions. The expansion of sanctions would impose private-sector mandates, as defined in UMRA, if they prohibit transactions with U.S. entities. In addition, individuals in the United States found to be associated with those violations would have their visas revoked. The cost of the mandates would be any forgone income directly related to the prohibited actions. CBO expects the number of entities and individuals in the United States that would be affected by the legislation would be small. Further, CBO expects that the loss of income from the restrictions in the bill would be relatively low. Therefore, CBO estimates that the aggregate cost of the mandates would fall below the annual threshold for private-sector mandates established in UMRA (\$154 million in 2016, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D'Monte (for federal costs) and Logan Smith (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.