



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

September 16, 2016

**H.R. 5883**

**Clarification of Treatment of Electronic Sales of Livestock Act of 2016**

*As ordered reported by the House Committee on Agriculture on September 14, 2015*

H.R. 5883 would amend the Packers and Stockyards Act of 1921 to include livestock sales conducted through electronic communications. Specifically, the legislation updates the definition of a market agency to include persons who buy or sell livestock through electronic methods if such person's average annual livestock sales exceed \$250,000. The legislation also would permit the use of electronic funds transfers or any other exchange methods the Secretary of Agriculture determines appropriate to complete livestock sales.

Based on information from the Department of Agriculture, CBO estimates that the cost to implement the provisions of the bill would be insignificant; such spending would be subject to the availability of appropriated funds. Enacting H.R. 5883 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. 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. 5883 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, as defined in UMRA, on some operators of online and video livestock auctions. Under the bill, those operators would need to comply with provisions of the Packers and Stockyards Act such as requirements for bonding and for prompt payment to sellers. However, information from industry sources about current business practices indicates that most operators of online and video auctions already comply with those provisions. Consequently, CBO estimates that the incremental cost to comply with the mandates would be minimal and fall well below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2016, adjusted annually for inflation).

The CBO staff contacts for this estimate are Tiffany Arthur (for federal costs) and Amy Petz (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.