CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 1, 2015

S. 284
Global Magnitsky Human Rights Accountability Act

As reported by the Senate Committee on Foreign Relations on July 29, 2015

S. 284 would require the Departments of State and Treasury to impose sanctions on persons responsible for human rights violations or significant corruption in foreign countries. Those persons would be ineligible for entry into the United States, have any existing visas revoked, and have their assets frozen if they fall under U.S. jurisdiction. The legislation also would require periodic reports to the Congress on the implementation of the bill.

Based on information from the Department of State, CBO expects the department would hire seven additional staff to implement the bill's provisions at an annual cost of about $200,000 per person. CBO further estimates that other administrative costs to the Department of Treasury would be less than $500,000 over the next five years. On that basis, and adjusting for anticipated inflation, CBO estimates that implementing S. 284 would cost $6 million over the 2016-2020 period, assuming appropriation of the necessary amounts.

Pay-as-you-go procedures apply to this legislation because it would affect direct spending and revenues; however, CBO estimates that those effects would not be significant. Enacting S. 284 would decrease revenues from visa fees and increase revenues from civil and criminal penalties imposed on those who violate the regulations. CBO estimates that the provisions would affect few people and that revenues deposited in the Treasury would not be significant in any year. The legislation also would increase direct spending from criminal penalties which are deposited in the Crime Victims Fund, and can be spent in subsequent years without further appropriation action. However, CBO estimates that any such spending would not be significant in any year.

S. 284 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.

If the President exercises the authority under the bill to impose sanctions on persons responsible for human rights violations or significant corruption in foreign countries, S. 284 would prohibit transactions related to any property or interests in property of individuals associated with those violations. Those sanctions would impose private-sector mandates, as defined in UMRA, if they prohibit transactions with U.S. entities. In addition, individuals 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 transactions and to the loss of visas. CBO expects the number of entities and individuals in the United States that would be affected by the legislation would be small. Further, CBO also expects that the loss of income from the restrictions in the bill would be small. 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 2015, 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.